The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Issue of Sino-Japanese "Cooperation" Arouses World-Wide Concern

ARTICLES IN THIS ISSUE

British Law on Lotteries and the International Country Club

Case of the Three Americans Arrested in Osaka

Wang Ching-wei Urges Sino-Japanese Understanding; Gen. Chiang Sets Up New Headquarters at Wuchang

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Will Tokyo and Nanking Join Hands? . . . By Chen Fu-sheng

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The Sino-Japanese Drama . . . . . By Alfred Y. L. Kong

Rural Reconstruction Work Around Nanking . By C. Y. W. Meng

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Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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BRITISH LAW ON LOTTERIES AND THE INTERNATIONAL COUNTRY CLUB

IT was unfortunate that the local British police court, while finding Fred Ellis, a British subject, guilty of unlawfully selling lottery tickets, did not at the same time give more information about the International Country Club which was responsible for the promotion of the lottery. According to the local Shanghai Directory published by the *North-China Daily News*, the International Country Club has two addresses, one located on Route Doumer, French Concession, and the other at 160 Avenue Edward VII, International Settlement. The city directory issued by the *Shanghai Evening Post* (Jan. 1935) also lists the International Country Club with two addresses, one of which is 498 Route Cardinal Mercier, and the other at 160 Avenue Edward VII. In both cases the president of the club was given as Paul Premet, a French advocate and doctor of law, who also has his office at No. 160 Avenue Edward VII. In the *N. C. D. N.* directory the secretary of the International Country Club is given as E. S. Artsibasheff, but in the *Evening Post* directory the name of Bruno Picchetto appears as secretary. The *N. C. D. N.* directory (Page 218) lists Mrs. E. S. Artsibasheff as secretary to Mr. Premet. This information would seem to indicate that the International Country Club is a French concern, which, if correct would explain why the British court authorities did not enter into that phase of the case.

As indicated in the account of the British court action which appeared in *The Review* on Feb. 28 (Page 440), the original complaint apparently originated with the Japanese authorities, which was a matter of some significance because the International Country Club previously was quite active in selling race lottery tickets in Manchuria, having an agency with an elaborate window display on Kitaiskaya street, Harbin. Whether the International Country Club specialized in selling racing lottery tickets in Manchuria is not known, but it is known that several prominent Japanese claimed to have lost considerable sums through participation in the periodic drawings. In the report of the British police court decision, handed down by Registrar C. H. Haines, which appeared in the

North-China Daily News on Feb. 22 it was stated that Fred Ellis had been found guilty on two charges, the unlawful sale of lottery tickets in the International Country Club's New Year Sweepstakes, and also for employing a Japanese named Kiho Sasuki, in the unlawful sale of tickets in a "certain lottery." The British court discharged Ellis, "provided he entered into a recognizance of £25 with one surety of £25 to appear for conviction and sentence when called upon and to be of good behavior for a period of three years." Mr. Ellis was warned that if he appeared before the court again he would be imprisoned. The action of the British court was of considerable significance because it indicated the intention of the British authorities to enforce their anti-gambling regulations with respect to British subjects residing within this exterritorial jurisdiction.

That the action of the British court authorities with respect to the present case will receive the approval of the foreign and Chinese communities here goes without saying, hence there is hope that the authorities of the International Settlement will continue the campaign for the eradication of other forms of gambling within the Settlement. If the Settlement authorities do not take action it is obvious that serious complications will sooner or later develop here, the reason being that with the exception of opium smoking which has been reduced to a minimum, the International Settlement is the worst center of the "four curses of China." as listed in the regulations of Gen. Chiang Kai-shek's New Life Movement—"drugs, prostitution, drinking and gambling." It should be obvious to well-wishers of China that the International Settlement cannot continue to harbor and protect the evils which the Chinese authorities are trying most earnestly to eradicate throughout the country.

One of the promoters of Luna Park, defunct dog-racing track, returned from Europe recently with a grandiose scheme for a gambling outfit on Chinese territory. He got some Chinese sponsor to put the matter before Nanking. It eventually got before a meeting presided over by General Chiang. When it came before him, he shouted out, "What, some one proposes a gambling concern, just at the time when I am urging my New Life Movement! Will the gentleman who sponsors this, kindly stand up?" No one stood up. The promoter has once more departed from China.

CASE OF THE THREE AMERICANS ARRESTED IN OSAKA

IF it is established police practice in Japan, as it appears to be, for prisoners to be bound with ropes and led through the streets like cattle or goats, then we can see no particular reason for the outcry which has been raised merely because the victims this time happened to be prominent American businessman and residents of Osaka. However, as this particular incident happened to be a more than usually glaring case of police brutality and abuse of power there is hope that the agitation many result in long-needed reforms. The whole Japanese police system as well as the department of Justice were already under fire as a result of the methods followed in the police investigation of scandals in the Tokyo Finance Ministry last year.

The three Americans involved in the Osaka incident were Roderick S. K. Irvin, Managing Director; J. W. Scott, Treasurer, and W. P. Palmroth, also an official of the Nippon Corn Products Company, a ten million yen subsidiary of the American Corn Products Company. The company has extensive factories in Korea but maintains its head office in Osaka. According to the report of the incident in the *Japan Chronicle* on Feb. 16 two Koreans appeared at the office of the Nippon Corn Products Company and demanded that Mr. Irvin immediately hand over to them the sum of Yen 100,000. One of the Koreans aleged that Dr. Robert Irvin, apparently a relative of Roderick S. K. Irvin, had administered the estate of the Korean's father, who had died in 1905, and that certain properties of the estate had been sold without permission. In consequence the Koreans raised a disturbance in the office which necessitated the calling of the police. When the police arrived they placed everybody under arrest and when the Americans, allegedly, refused to go to the police station, they were bound with ropes and led through the streets, much to the delight of the populace. They were then detained at the Osaka police station for another four hours, or until Howard Donovan, American Consul-General appeared and succeeded in effecting their release on a personal guarantee that they would be produced when summoned. The *Chronicle*, British paper at Kobe, had the following to say about the incident:

> "Malice is the only explanation that fits the facts of the arrest of three American businessmen in Osaka, and the treatment to which they were subjected. The origin of an assault which led to the arrests does not affect the case in the slightest. When the police were summoned to the Nippon Corn Products office on Thursday afternoon, it was their duty first to ascertain why their presence had been requested, and then, if the explanations tendered did not meet with their satisfaction, to continue their enquiries. But the police asked no questions, and would listen to no explanations. The three foreigners were roped up in their own office, and then led shackled through the streets of Osaka. Had they been desperate criminals or murderous patriots the police could have taken no greater precautions to prevent their escape, unless, indeed, the prisoners had been driven through the streets instead of marched. As it was, the police who made the arrests refused to allow their victims to take a taxi. They insisted on the parade. Having reached the police station, it might have been thought that a few minutes' questioning would served to clear up the situation, when the prisoners could have been released with—or more likely without—an apology. Instead, it was only after the United States Consul had interested himself in the case that the three unfortunate Americans were admitted to bail, having spent some four hours at the police station.
>
> "And there, for the moment, the matter rests. But we sincerely hope that some sort of satisfaction will be given the ex-prisoners. If the police are allowed to establish a dangerous precedent like this, then no-one can consider himself safe from similar indignity. There is room for protest quite apart from the fact that the police appear to have exceeded their authority. The Minister of Justice recently agreed with the Diet that confinement

and manacling should not be resorted to where men of obvious substance are concerned. He had in mind defendants accused of a very serious offence, certainly much more serious than any possible charges which might arise out of an office squabble. Additionally it must have been juite clear to the police that their victims had no intention either of avoiding responsibility, or of attempting to escape. Even if the police had been in possession of evidence involving their prisoners in criminal charges, their deliberate effort to humiliate the men they arrested would still call for apology. 'Infringement of personal rights' is a phrase which has unfortunately come into common currency recently. By the side of the murder of an unfortunate suspect in Nagano prefecture, and the torture inflicted on prisoners in Tokyo, this Osaka case may appear trivial, but it is all part of the same story, emphasising that it is high time the Ministry of Justice held a complete enquiry into the police system. And was it not in Osaka recently that a man who reported the loss of a gold watch was detained and beaten until he changed his story? We have still not heard what happened when the thief was later caught with the watch in his possession."

The Far Eastern Political Merry-Go-Round

THE Japanese insist that China must demonstrate her good faith with respect to the re-establishment of normal relations between the two countries by discontinuing all anti-Japanese activities. Gen. Kenzo Doihara, representative of the Japanese Kwantung army in Manchuria, was more specific in his demands. Pointing to the so-called "All-Nanking Native Goods Promotion Society," he demanded its immediate dissolution. In addition to this, the Japanese *Nippon-Dempo* service sent a dispatch from Nanking dated Feb. 18, which stated among other things that recent orders issued by the Central and provincial administrations to Chinese officialdom to wear native-made clothes amounted to a continuance of the anti-Japanese boycott "because if the Chinese were not officially encouraged to wear the products of their own factories they would wear Japanese products." Quoting Akira Arioshi, the Japanese Minister, the *Nippon Dempo* correspondent declared that the Chinese campaigns to encourage consumption of home-produced goods constituted definite proof of China's "insincerity." Mr. Arioshi was expected to lodge a further protest about it.

"WOODMAN—SPARE THAT TREE"

—From the White Plains, N. Y. Daily Reporter

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In view of the vast amount of information which the horde of Japanese intelligence officers are constantly collecting in China it seems strange that the Japanese are not aware of the fact that this country is passing through a stage of intense industrial development. Also, it appears strange that the Japanese apparently do not realize that when a Chinese decides to go into the manufacturing business, he is more than likely to embark on the production of goods which the country has been importing in considerable quantities from foreign sources—possibly Japan. Recently one of the local papers told of the establishment of button factories, enamelware factories, vacuum-flask factories and leather glove factories. In each case it was stated that the Chinese factories were now able to supply the local demand and in a few instances they had not only supplied the local demand but were beginning to export. Of course, this hits the Japanese, but they are not the only ones affected; however, it is only the Japanese who are complaining about a boycott of their products. That the Japanese are in a more vulnerable position from the standpoint of Chinese competition is due to the fact that the Chinese are able to produce, and usually more cheaply, practi-

cally everything that Japan sells in this market. The Japanese undoubtedly must realize the actual situation, hence one is led to doubt their sincerity when they talk about a discontinuance of this type of "anti-Japanese" activity.

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Foreign Minister Koki Hirota, according to a *Rengo* dispatch from Tokyo dated Feb. 25, said that Japan should seek the understanding of Soviet Russia and China before worrying about her relations with the United States. Continuing, he declared that Japan should let the world know that Japan has no ambitions and that Japan had risked her national existence for the sake of peace. "I have no objection to letting the United States know this; I believe it necessary that we should make China and Russia understand it first." This frank statement by the Tokyo Foreign Minister constitutes the first official admission on the part of any prominent Japanese of the real cause for the breakdown of the London naval negotiations. Neither the United States or Great Britain could consent to Japan's demand for naval parity or hegemony in Asia because of the disturbed relation existing between Japan and China and Japan and the Soviets. Japan's delegates to the London conversations are now back in Tokyo and have submitted their confidential reports, and while these reports have remained secret, it does not require much knowledge of international affairs to realize that these various explanations of the breakdown of the London conference may be summarized in the one word "suspicion." Japan's activities since 1931 in Manchuria, plus the disastrous Shanghai adventure, have caused everybody to become suspicious of Japan's real objectives and these suspicions are rapidly being translated into huge military appropriations in both the United States and Great Britain and also in Russia. That Mr. Hirota now realizes the full import of the situation was indicated in his remarks about seeking an understanding with China and the Soviet Union. However, it is difficult to see how he can bring about any genuine understanding on either of these fronts unless something can be done to curb and reverse the activities of the General Staff and the Kwantung army. The Kwantung army with the support of the General Staff set out in 1931 to "establish the peace of Asia," but instead of accomplishing this ambition they have converted the Pacific into an armed camp and if they keep on long enough they finally will force everybody to cooperate aganst the common enemy, witness the recent statements of Lloyd George, General Smuts and others in high places whose remarks carry much weight in international circles.

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The *Chicago Tribune* published a dispatch from its London correspondent on Jan. 5 which stated that the efforts of the Japanese chief delegate, Admiral Yamamoto, to "drive a wedge between the United States and Great Britain by playing one against the other," had completely failed, due largely to the ability with which the situation was handled by Norman H. Davis, the American Ambassador-at-Large and Admiral William H. Standley. The *Tribune* correspondent, John Steele, stated that the sole result of Admiral Yamamoto's efforts was to drive America and Britain closer together and in the event Japan continues obdurate in her policy of demanding "global equality," the result may be a gentleman's agreement on the part of America and Britain to pool their interests in the Pacific and outbuild anything Japan can put in the water. Another effect of the American handling of the Pacific problems, according to Mr. Steele, "was to convince Britain and the dominions that it is an empire and not an English problem. Australia, New Zealand, Canada and even South Africa are far more interested in curbing Japan's power in the Pacific than Britain, whose chief dangers lie on the continent of Europe. The dominions realize this, and the speech by Gen. Jan Smuts of South Africa a few weeks ago was a warning to Britain that the dominions must be taken into account. Immediately a formal consultation with dominion representatives was held, and then from Australia came a report recommending restoration of conscription in that dominion. This was welcomed in Britain as guaranteeing a certain minimun strength in Australia in the event of a European war which would prevent an attack in the rear by Japan. Any chance of an Anglo-Japanese agreement or understanding has gone by the board and there is no longer any British group or party advocating it. Even the Tory diehards who are attracted by the Japanese theory of power politics, have dropped the idea at too hot to handle. The entire British cabinet and parliament are lined up in favor of an Anglo-American entente in the Pacific in the event a three-power agreement on Anglo-American lines is not reached."

⁂

Of direct interest in connection with the reference to the policies of the British dominions was a recent statement of Cordell Hull, American Secretary of State, at the annual dinner of the Canadian Society in New York. Mr. Hull said that it was unnecessary to go into the origin of the Open Door policy or other elements in America's traditional Far Eastern policy; that the policy was clearly set forth in a long series of treaties. Among these treaties, Mr. Hull added, is the Washington Treaty, which, with the other accomplishments at the Washington Conference in 1922, contains the principles to which the United States still adheres. The U.S. Secretary of State then declared that elements common to America's Trans-Pacific and Trans-Atlantic policies are strikingly similar: political and economic stabilization through a conference for mutual agreement and cooperation in the maintenance of peace through non-aggression, consultation, limitation and reduction of armaments. Mr. Hull preceded his remarks at the Canadian dinner with a statement that President Roosevelt's "good neighbor" policy applies in the Orient as it does in the Occident and that this policy was one of mutual cooperation and understanding and the maintenance of peace through non-aggression and consultation.

A dispatch through *Reuters* from Tokyo on Feb. 26 said that officials of the Foreign Office were perplexed regarding the real attitude of Great Britain and the United States with respect to recent negotiations between China and Japan. The report alleged that both America and Britain were showing a "vacillating" attitude toward the present Sino-Japanese negotiations and there were rumors in circulation that the two Occidental powers might intervene under the terms of the Nine-Power treaty. Foreign Office officials in Tokyo declared that the movement toward co-operation between China and Japan was started as the result of China's realization of "actual conditions in the Far East," and that its motive is completely in accord with the late Dr. Sun Yat-sen's "Greater Asia Doctrine," and the principle of conciliatory diplomacy recently espoused by Koki Hirota, Japanese Foreign Minister. Japanese officials expressed surprise that Britain and the United States, "who deemed that a full understanding between China and Japan was an essential factor in world peace, should now show vacillation when a rapprochement between the two countries is at hand." Whether the United States or Britain have indicated displeasure regarding the trend of present Sino-Japanese negotiations is not known, but they are quite likely to do so in the event they should discover that Sino-Japanese "cooperation" infringed the principles of the Nine-Power treaty which guarantees China's political and territorial integrity, and the principles of the Open Door and equality of opportunity with respect to trade.

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While the word "cooperation" is constantly used by officials of both countries, it is doubtful whether the Chinese are fully aware of the sense in which the Japanese use the term. For example the Japanese newspaper *Jiji* recently stated that Japan was planning to cooperate with Gen. Chiang Kai-shek in the anti-red campaign in Szechuen in the coming spring and summer. It has already been announced that Gen. Chiang has chartered a number of Japanese steamers for use in transporting Chinese troops to Szechuen, but according to the *Jiji*, the Japanese naval authorities will cooperate to the extent of sending gunboats along to protect the steamers and in addition the Japanese navy in south China waters and in the Yangtsze district will cooperate in preserving order. Also, it was claimed that the Japanese will supply technical advisers to serve as instructors in the Chinese Navy. The report concluded with the statement, "The Japanese navy wants an extension of its guarding zone along the Yangtsze and Vice-Admiral Gengo Hyakutake, Commander-in-Chief of the Third Fleet will shortly devise measures for more intimate relations between the Chinese and Japanese navies." In addition to the reference to naval cooperation, there also has been much talk in the Japanese newspapers and magazines regarding economic and financial co-operation. Dr. Masamichi Royama of the Imperial University, in an article in the February 11 issue of the magazine *Diamond*, on the subject of Japanese-American relations speculated upon whether the United States could be induced to "suspend her Open Door Doctrine for the time being and decide to make investments in China through Japanese hands." While expressing doubt that America could be induced to adopt such a policy, Dr. Royama declared, "I may note that the Open Door policy, as it has been in the past, will no longer be of avail to determine the destiny of China, or the Far East. Such a doctrine should be denounced and replaced by a principle thoroughly revised since it was rendered impotent as a result of the independence of Manchukuo."

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Someone, in recent reference to politics in Europe said that it was unnecessary for a writer to offer any extended explanation of what was going on. "Just print what the leaders say and let the public form its own conclusions," was the advice given. The same advice applies most fittingly with respect to the declarations of some of Japan's spokesmen, particularly the military ones. For example, Gen. Kenzo Doihara, director of the special service department (intrigue) of the Japanese army in Manchuria, who recently was in Shanghai and Nanking interviewing Chinese officials declared: "I was very happy to note that all the Chinese statesmen I met were anxious to see the revival of the spirit of Pan-Asianism in China, in accordance with the will of the late Dr. Sun Yat-sen. What is essential is that this wish be put into practice. We shall see that this is done. To everyone I met, I sought to explain in my capacity as an officer of the Kwangtung army, the spirit that led to the founding of Manchokuo and to present to them a picture of what is going on there. It seems to me that everyone was kind enough to listen with great interest and I believe that this was because unfavorable propaganda always had the upper hand until now. *I am convinced that all persons to whom I had occasion to speak thoroughly understood my explanation that the spirit behind the founding of Manchokuo was not one of Japanese conquest or utilitarianism, but a sincere wish to see justice prevail and to bring amity between nations and peace to the world.*" We believe that our readers will agree that it is unnccessary to add any further explanation to what Gen. Doihara submitted as the motive for Japan's activities in China's northeastern provinces.

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It may have been a coincidence, but the Chinese happen to have selected this particular time when the air is so filled with expressions of "friendship and cooperation," for the publication of an important new book entitled, "The Puppet State of Manchukuo." The book was edited by Tang Leang-li, close friend and political associate of Wang Ching-wei, head of the Executive Yuan and concurrently Minister of Foreign Affairs. The book constitutes the most complete account of Japan's seizure of China's northeastern provinces that has yet appeared in print, hence there is significance in its appearance at this time when Japan is trying to force China into various "cooperative" enterprises which have as their main

objective the establishment of Japan's military control over the political and economic affairs of this country. Space is not available here for more than a mention of some of the chapter headings, but the book covers Japan's invasion of Manchuria, creation of Manchukuo, Manchurian issues between China and Japan, the Wanpaoshan incident and the Koreans, popular opposition to Japan as evidenced in Manchurian "banditry," Japan's hegemony over Asia, and finally Manchukuo, considered from the standpoint of asset or liability. The appendix contains much useful material, including the statement of Henry L. Stimson, U.S. Secretary of State, the so-called Secret Memoirs of Baron Shimpei Goto, the Tanaka Mencrial to the Japanese Throne and the important document compiled by Dr. Ben Dorfman of the Lytton Commission on the original Mukden incident of the night of Sept. 18, 1931 which set off the fireworks. Not the least in interest is an account, the first to appear in a Chinese publication, of extracts from Japanese school and college text books, showing Japan's real attitude toward other nations, China of course included. For the past four years the Japanese have spread propaganda about the world telling of alleged "anti-Japanese" passages which appear in Chinese school text-books, claiming that these teachings constitute the real reason for Sino-Japanese discord and disturbances in the Far East. It apparently never occurred to any Japanese that their own text books contain even worse passages, not only about China but about other nations with which Japan enjoys seemingly friendly relations. Mr. Tang, the editor of the new book, shows that many of the extracts which the Japanese propagandists have circulated never appeared in any Chinese text book anyway. However, there is nothing to apologize about in this connection for every country creates nationalism and patriotism through its text-books and while this constitutes one cause of trouble between nations, it's the situation nevertheless and that's that! Even a superficial inspection of Mr. Tang's book indicates that it is going to be rather difficult for Mr. Hirota and Gen. Doihara to convert all of the Chinese to Japan's conception of the "new situation prevailing in Asia."

Japan and China as the U. S. Paragraphers See Them

The following paragraphs are extracted from *The Literary Digest.*

Japan is nervy to demand a Navy as large as that of a Christian Nation like ours.—*Florence (Ala.) Herald.*

An expert says Japan's war-ships are top-heavy. Perhaps that's what is the matter with Japan herself.—*Toledo Blade.*

In other words, Japan doesn't understand why she can't have as many battle-ships and submarines as Christian nations.—*Springfield Union.*

There is war in China again. The only thing worse typographically is the chance of an outbreak between Japan and Russia. —*Wichita Eagle.*

That American naval officer who compelled the Japanese to abandon their hermit ways surely did not know what he was starting. —*Jamestown (N.Y.) Post.*

In spite of what the courteous Japanese diplomats may say, we still cling to the belief that if Manchukuo is an independent State, so's matrimony.—*Boston Herald.*

China produced 561,160 hockey-sticks last year. If the Chinese had only used them in their war with Japan, things might have been different.—*Greenville (S. C.) Piedmont.*

Finance Ministry Drafts Regulation for Closer Supervision of Banks

A set of measures for closer supervision over banking institutions throughout the country has been drafted by the Ministry of Finance. New banks will not be permitted to commence business unless and until they have, in accordance with the regulations promulgated by the Central authorities, registered with the Ministry of Finance through the competent Provincial or Municipal organ concerned.

STUDYING JOURNALISM IN AMERICA

Prior to the Christmas holidays President Walter Williams, of the University of Missouri, and Dean of the School of Journalism of the same institution, who has made many trips to the Far East, gave a Christmas party at his home in Columbia, for the International Club, which is composed of the foreign students. Of the 4,000 students enrolled in the University, 29 are from foreign countries. Among these 29 are 9 Chinese students who are pursuing various branches of higher learning at the Missouri culture capitol.

The Chinese students who were present at the Christmas party are shown in the above photo.

Front row: **Mrs. C. F. Young; Mrs. T. L. Lau, Agriculture; President Williams; May Day Lo, Hawaii, Journalism; and Ah Jook Leong, Hawaii, Journalism.**

Back row: **Norman (Te Ho) Sung, Journalism; James (Chien-Hung) Shen, Journalism; Tsing-Lai Lau, Graduate; C. F. Young, Education; and Kyatong Woo, Journalism.**

Japanese Diet Hears Controversy on Emperor's Status

A controversy on whether the Emperor is the State or an "organ" of the State controlling all public rights, including legislation, arose in the Tokyo Upper Chamber Feb. 25. The verbal battle was waged between Dr. Minobe, author of numerous works on Japan's constitution and Baron Kikuchi, who vigorously attacked Dr. Minobe's thesis that the Emperor is the "organ" of the State. "I do not know if Baron Kikuchi knows anything about the Japanese constitution, but I am sure he has never read my books," Dr. Minobe declared. The legal controversy on the status of the Emperor was brought into the limelight on Feb. 22, when a member of a "patriotic" society attacked with a dagger Mr. Shoriki, President of the *Yomiuri Shimbun*. The attacker said that the paper's defense of Dr. Minobe's theory was one of the reasons which led him to attempt the assassination.

Tokyo Publisher Stabbed Because He Invited American Baseballers

Matsutaro Shoriki, publisher of the Tokyo *Yomiuri*, third largest daily in Japan, was stabbed by a self-styled "patriot" on the morning of Feb. 22 on the dark stairway of the *Yomiuri* building in the heart of the city. Brandishing a dagger, the would-be assassin slashed Mr. Shoriki's throat, causing a wound 15 centimeters long and 8 centimeters deep, and fled. The 59-year old publisher crumpled to the ground and was carried unconscious to the newspaper's own infirmary where he received emergency aid. He was later transported to the Hayashi hospital a few blocks away. A few minutes later, a youth, giving his name as Katsusuks Nagasaki, surrendered at the Marunouchi Police station. Questioned, he declared that he had decided to kill Mr. Shoriki because his newspaper had spent a large amount of money to invite an American professional baseball team to Japan and had thus "given a bad example to the nation." He also said he did not like the editorial stand taken by the *Yomiuri* in defense of the treatise on the Japanese Constitution by Dr. Tatsukichi Minobe. In this work, Dr. Minobe expresses the view that the Emperor is "an organ of the state," as opposed to the stand that the Emperor is the State maintained by other legal authorities.

Japanese Army Issues Pamphlet on Culture Differences

Another Army pamphlet was issued Feb. 25 by the Press Bureau of the War Ministry under the title of "The Nation's Preparedness for the Emergency Period". The booklet deals mainly with philosophical and cultural subjects, reviewing the differences between the Western and Oriental civilizations. Japan's task, as it is envisaged by the Army, lies in merging two different cultures and in securing lasting peace.

Mr. Hirota Takes Steps to Increase Diplomatic Efficiency

Extensive measures to increase the assertedly lagging efficiency of Japanese diplomatic and consular offices abroad are being considered by Mr. Hirota, Foreign Minister. As a first step in his reform program, Mr. Hirota will send Hajime Matsushima, former Ambassador to Italy, to the Near East, the South Seas and the Netherlands East Indies, as a special envoy. Mr. Matsushima, who will leave Tokyo in the latter part of April, will include in his itinerary Annam, Siam, India, Persia, Afghanistan and Iraq. As a second measure, Mr. Hirota will direct Japanese Ambassadors and Ministers in Europe and in Central and South America to hold annual or semi-annual conferences.

Reform in Japanese Army Necessary Because of Manchurian Adventure

Comprehensive plans for the reorganization of the army system are being studied by the Japanese military authorities, Gen. Hayashi, War Minister, stated in the House of Peers in Tokyo Feb. 18. Questioned regarding the War Minister's statement, high Army officials declared that drastic reforms in the military system are necessitated by Japan's undertaking, made in the Japan-Manchukuo Protocol of 1932, to assist in the defense of the new State. The reorganization plans, the officials said, hinge on the disposal of the Japanese troops in Manchuria. The projected reforms, the officials predicted, will be carried out within the next two or three years.

Bank of Japan to Have Sole Right to Issue Money

Mr. Takahashi, Minister of Finance, Feb. 22, announced that the Bank of Japan will be given the sole right to issue bank notes. The Bank of Taiwan, whose money is used in Formosa, and the Bank of Chosen, whose notes circulate in Korea and Manchuria, will be deprived of their note-issuing power and ranked as ordinary banks.

Japan Now Has 120,000 Automobiles

The number of automobiles in Japan, Korea, Formosa and Saghalien amounts to 121,192, according to statistics published by the Bureau of Resources. The number of motor cars in Japan proper at the end of last October was estimated at 109,234, of which 68,736 were passenger cars, 38,346 trucks and 2,142 other motor vehicles, according to the report.

Military Expenditures Attacked in Upper House

In the course of a bitter attack on the "colossal military appropriations" in the House of Peers Feb. 19 Premier Okada was accused of making allotments to the "civil" ministries only after a consultation with the War and Navy Offices. The attack was delivered by Baron Obata, of the Koseikai, who criticized the military appropriations "which already exceed a billion yen," while the funds allotted to the Home, Agriculture and Forestry and Commerce and Industry Ministries are "decreased every year."

Okada Favors Transfer of Budget Work to New Body

Premier Okada Feb. 20 expressed himself at the meeting of the Deficit Bond Committee of the House of Representatives in favor of transferring the task of preparing the annual budget from the Finance Ministry to the Council on National Policies.

Home Rule for Formosa Urged by Minister of Overseas Affairs

A warning of future difficulties in Formosa if the Diet fails to grant home rule to the island was sounded in the House of Peers in Tokyo, Feb. 20, by Count Kodama, Minister of Overseas Affairs. "Optimism regarding the future situation in Formosa will not be warranted unless we pass the measure," Count Kodama said. The Minister also deprecated the view that it is prematute to give home rule to Formosa, declaring that the island has been "remarkable progress in every way."

Mass Conversion of Oshima Catholics to Shintoism to Be Attempted

Confronted with a threatened exodus of 4,000 Japanese Catholics from Amami-Oshima, a large island between Kyushu and the Loochoo Islands, the Ministry of Home Affairs is studying means to bring about their wholesale conversion to Shintoism and thus keep them on the isle, the Tokyo *Kokumin*, a daily with close Army connections, reports. The contemplated exodus, the newspaper says, came as the result of ill-feeling between the Catholics and their non-Catholic neighbors, which reportedly flared up on Dec. 19 and led to the destruction of more than 10 Catholics churches following the alleged discovery that the Catholic missionaries were engaging in espionage.

The first reports of espionage by Catholic priests, which were characterized as "preposterous" by Father H. A. Campo, American National Secretary for Propagation of the Faith, in New York, cited a French naturalized missionary, who used the name of Motol Yonekawa, of Gojodori Asahikawa, Hokkaido, as the central figure. Among his assistants was one P. Genet; another French missionary and a former sub-lieutenant in the French navy and others.

Japan's Outstanding Bonds Nearing Ten Billion Yen

At the present rate of issue the amount of Japanese bonds outstanding will in the not distant future reach Yen 10,000,000,000. In this connection Finance Minister Takahashi, in reply to interpellations in the Lower House Deficit-Covering Bond Committee, Feb. 14, said it is likely that the Japanese people will continue to invest their capital in bonds before depositing it in banks or post offices. He said the Bank of Japan is being visited daily by purchasers of bonds; they are not only big banks but bond dealers whose clients want to buy by small amounts, such as Yen 50,000 or Yen 100,000 per purchase. If in the future, profitable enterprises are promoted in unofficial circles and capital is drawn by them, Mr. Takahashi admitted that absorption of bonds may prove difficult; but in such a case a tax increase will be effected and there will be a natural increase in the revenue of the Government. When one member said the people are apprehensive there might be war, and such fear is proving a hidden barrier to bond absorption, Mr. Takahashi replied that this is a tendency prevailing everywhere throughout the world today.

Compromise Proposal Saves N.E.I.-Japan Negotiations

A compromise proposal made Feb. 26 by Mikio Ichiki, Manager of the Kobe branch of the Nippon Yusen Kaisha, saved the Netherlands-Japan shipping conference from going on the rocks. The failure of the conferees to agree on the official languages resulted in a deadlock, after a month of fruitless negotiations.

Member of Parliament Sentenced of Libel on Former Minister of Justice

Ikke Okamoto, Seiyukai member of the Lower House, was sentenced Feb. 25 to one year and six months at hard labor upon conviction of a charge of libel and and inciting to perjury. Mrs. Peruko Ando, proprietress of a restaurant, also received a sentence of 10 months at hard labor for perjury. Mr. Okamoto had charged Dr. Matsukichi Koyama, minister of justice in the Saito Cabinet, with having received bribes from friends of Communist defendants when he was Procurator General.

Japan Anxious, But Not Likely to Get, 1940 Olympic Games

Following the example set by the House of Representatives, the House of Peers Feb. 25 unanimously adopted a resolution urging the Government to extend financial aid to Tokyo, if the city is granted the 1940 Olympic Games.

In the meanwhile telegrams from Europe indicate that the Olympic Committee already has made plans for the 1944 semi-jubilee games to be held in Lausanne and because of this, Japan is not likely to be awarded the 12th Olympiad in 1940. A report from Tokyo on Feb. 27 said that China had voted against Japan at the Olympic Committee meeting held in Oslo.

⁂

Grounding of American Tanker Near Fortified Zone Causes Temporary Sensation

A momentary sensation caused by the grounding of an American oil tanker *Elizabeth Kellogg* off Cape Yawata, a fortified zone at the entrance to the Tokyo Bay, Feb. 22, came to nothing Feb. 23 when the authorities cleared the ship of all suspicion. Official investigation by the naval authorities revealed that the tanker went aground soon after leaving Yokohama, that the stranding was caused by a mistake in the set course, and that the third mate was the only officer on the bridge at the time. As soon as the 5,890 ton tanker went aground, planes were dispatched by the Tateyama Aviation Corps to the scene, and the commander of the destroyer *Tachikaze* was ordered to board the ship and cross-examine the officers and the crew. Following the examination, orders were at first issued to the Captain of the ship not to leave the spot "even if refloated" but later the order was lifted, and the ship proceeded to Osaka as soon as she succeeded in getting off. A heavy gale and high seas also resulted in the stranding of another ship, the *Catherine Radcliffe*, outside of the fortified zone.

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136 Japanese Midshipmen Go on 20,000 Mile Cruise

Japan's future admirals sailed from Yokosuka, Feb. 20 on a 19,136 mile cruise of the south Pacific. This year's contingent of 136 midshipmen includes besides two Imperial princes, the sons of Admiral Kato, Admiral Suetsugu, former commanders of the Combined fleet; Vice-Admiral Gengo Hyakutake, commander of the Third Sqaudron, stationed in China waters, and of Rear-Admiral Kamesaburo Nakamura, who commands the training squadron consisting of the old cruisers *Asama* and *Yakumo*. In addition to Prince Hirohide Fushimi, and Prince Tadahiko Asaka, midshipmen, Prince Asakira Kuni, is aboard the *Yaknmo* as chief gunnery officer.

⁂

Japanese Goods, Dyed in Manchester, Exported as "British Goods"

Percy Fish related at the annual meeting of a Manchester cotton manufacturing house last month how he had rejected an invitation of the representative of a Japanese organization to buy, at advantageous prices, grey cloth, which it was suggested could be dyed and printed in Lancashire and shipped to Australia as "British goods." When he refused to consider the proposition he was told that he would miss business, as he would be up against the competition of other Manchester houses, who had bought goods from that Japanese representative. Mr. Fish said it was high time that the British export certificate regulations were tightened, and the declarations amended so as to make it clear that spinning, weaving, dyeing, printing, and finishing processes were all performed in Britain so that goods could truthfully be described as "made in Great Britain."

⁂

Institute of Pacific Relations to Discuss Standards of Living

Standards of living of various nations bordering the Pacific will be discussed by experts gathered in Tokyo at a special meeting under the auspices of the Japanese Council of the Institute of Pacific Relations, it was announced in Tokyo last week. Japan, China, Australia, the Philippines, Hawaii, the Netherlands East Indies, Soviet Russia, the United States and Great Britain will be represented at the meeting, which will last for nine days beginning April 16. The holding of the meeting was stimulated, according to the Institute officials, by a conclusion drawn at the fifth conference of the Institute held in Canada in 1933 that wage problems can only be solved if the standard of living is first taken into consideration. The standard of living in Japan was discussed at the conference, Nippon being accused of "social dumping."

Attempted Assassination of Siamese Defence Minister

An unsuccessful attempt to assassinate the Siamese Minister of Defence, Luang Pibula Songgram, was made at Bangkok, Feb. 24. Two shots tooks effect, but fortunately not fatally. The Minister of Defence was wounded in the neck and arm, but it is believed that his injuries are not serious. The assailant escaped. The alleged motive for the act was that the Minister was concerned in an intrigue to secure the abdication of the King—now in England.

Movement to Close Foreign Gambling Institutions Is Intensified

Twenty-two universities and research institutes throughout China have issued a circular statement to the entire nation urging the National Government to take proper steps, and appealing to the foreign authorities concerned to cooperate, in suppressing such foreign enterprises as are considered equivalent to gambling, including the International Savings Society and grey-hound racing in China's metropolitan cities. Declaring at the outset that the fundamental way of saving one's hard-earned money should not be via the gambling route, the statement especially deplores the existence of foreign prize savings sociaties in China. It is considered by the educators as suicidal to permit foreigners in China to absorb a large porstion of the wealth of the Chinese people through prize premiums inducement.

"We need not point out what a great exploiting influence these savings societies wield not only in the cities but also in the interior," the circulor states, "but it is sufficient to mention that up to date the International Savings Society has already reaped a net profit of $65,000,000 in China."

Concerning the reported negotiations, the statement advances two suggestions to the Chinese authorities, namely (1) that a time limit should be set for the closing of the I.S.S., and (2) that arrangements for the refund of savings to the Chinese depositors should be fixed by the Chinese authorities, a refund by discount being considered unfair to the depositors.

The statement urges that in order that Sino-French commercial relations may be placed on a more equitable footing, all other businesses conducted by the French in China, which are of a gambling nature,—such, for instance, as greyhound racing—should be simultaneously suppressed, so that the Chinese people may cultivate a good impression of and friendliness towards France.

China Realty Annual Meeting Discloses a Strenuous Year

F. W. Sutterle, Jr., vice-president of the China Realty Company, Federal, Inc., U.S.A., presided at the ninth annual meeting of the company Feb. 20. Mr. Sutterle said that last year was the most unusual business year they had ever experienced in Shanghai, especially with regard to the real estate business. For the first nine months of the year, money was so plentiful and interest rates so low, it was next to impossible for the company to negotiate any mortgages on its own account and absolutely out of the question to charge a commission for doing the business. Then the drastic change in the money market came over night, and money could not be borrowed anywhere. In past years, Mr. Sutterle continued, when the company had experienced tightness of money, it could always borrow at higher rates of interest—today, it is simply impossible to borrow—the value of the securities or the rate of interest being no longer a factor. Mr. Sutterle said sales of real estate in Shanghai during the year were restricted to more or less professional operations and were very few in number and in view of general business conditions and the present monetary crisis, he considered that the profit earned by the company for 1934 was a really good showing.

Shareholders present at the meeting approved resolutions accepting the directors' report and balance sheet for 1934, to pay a dividend of 15 cents a share, to transfer $500,000 to a general reserve fund (carrying forward $797,339.82).

Reported Recall of Consuls Who Entertained Gen. Tsai Ting-kai

According to a recent telegram from San Francisco rumors had spread throughout the Chinese settlements in said city and in Los Angeles that General Chiang Kai-shek had become angry and had ordered several of the consular officers, including K. L. Kwang, of San Francisco, and K. L. Yip, of New York City, back to their home country, because they had participated in entertainments honoring General Tsai Ting-kai. General Chiang, it will be recalled, was bitterly attacked by General Tsai in interviews given to the American press.

Wang Ching-wei Urges Sino-Japanese Understanding; Gen. Chiang Sets Up New Headquarters at Wuchang

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Wang Ching-wei Stresses Sincerity in Adjusting Sino-Japanese Differences.**
2. **Wang Chung-hui Exchanges Views with Japanese Officials.**
3. **Japan Will Propose Settlement of Debts to Nanking Government.**
4. **Mongolians and Chahar Officials in Dispute Over Right of Tax Levy.**
5. **Gen. Chiang Kai-shek Arrives at Hangkow to Set Up New Headquarters.**
6. **Szechuan Military Leaders Commended for Abolishing Defense Areas.**
7. **Foreign Missionaries Evacuate Northwest in Fear of Communist Invasion.**
8. **Reds Suffer Heavy Reverses in Szechuan and Shensi.**
9. **Japanese Allege Gen. Chiang Planning Subjugation of Kwangsi.**
10. **Shanghai Police Commissioner Resigns After Tenure of 50 Days.**

Speaking before the Central Political Council Feb. 20 on the subject of Sino-Japanese relations Wang Ching-wei, President of the Executive Yuan, commented on Mr. Hirota's recent speech in the Japanese Diet concerning the Japanese policy towards China. President Wang said:

"It is my intention today to acquaint you with my personal reactions towards Mr. Hirota's speech. In a way what I am going to say may also be taken as an explanation of our fundamental policy towards Japan.

"In order to modernise China, we must direct our attention to two important prerequisites, namely, Unification and Reconstruction. We have been handicapped by institutional deficiencies and economic backwardness as well as by the lack of communications and educational facilities. To realize our aims for unification and reconstruction, we must have durable peace. But in this modern world where communications have become so highly developed and where the political and economic inter-relationship among nations has grown so close our love for peace must be taken in its broadest sense. For, besides working for peace in China, we also wish other countries themselves to have peace. Indeed, we particularly wish that, in international intercourse, peace may be definitely guaranted. For this reason, China is willing under the principles of equality and mutual assistance to maintain and promote friendly and peaceable relations with any country, not to mention a neighbour like Japan whose geographical, historical, cultural and racial relationship is so closely bound with this country."

"But, unfortunately, not only has no real friendship been cultivated between China and Japan but also for the last twenty years unexpected complications have continually arisen between the two countries and, what is more unfortunate, these complications have become more and more serious and dangerous in nature. In consequence, not only have the relations between the two countries grown worse but even the whole world has found itself in an atmosphere of insecuriy. This must certainly be regarded as a deplorable state of things not by the two countries concerned but also by the whole world.

"It is true that we are now in the midst of a national crisis of the severest nature but we are confident that since the relations between the two countries have had a history of such long duration, the troubles as existing at present can, after all, be solved by means of mutual sincerity.

"After reading the speech recently delivered by the Japanese Foreign Minister, Mr. Hirota, we are of the opinion that generally it agrees in spirit with what we have hitherto advocated. Now that China and Japan have expressed their common desires, it is a matter of great rejoicing for us that by mutual effort Sino-Japanese relations will henceforth have an opportunity to improve as well as to be restored into regular channels.

"Now I wish to emphasize with all frankness and seriousness that we wish to solve all the complications between the two countries with fullness of sincerity and through pacific means as well as regular procedure so that all mutual suspicions and all speeches and actions mutually repellent and detrimental may be gradually eradicated and that the hope of close friendship between the two countries as entertained by the late Party Leader, Dr. Sun Yat-sen, may be realized.

"In a word, if the people of China and Japna will not cling to their immediate interests nor mind the temporary feelings but will show each other mutual sincerity and stand for righteousness in order to work for a durable peace between the two countries, then it is quite certain a rational solution of the fundamental issues betewen the two countries will be obtained.

WANG CHUNG-HUI EXCHANGES VIEWS WITH JAPANESE LEADERS

Sino-Japanese relations were discussed at length on Feb. 20 between Dr. Wang Chung-hui, Chinese member of the Permanent Court of International Justice and Koki Hihorta, Japanese Foreign Minister, in a 2-hour conference at the Foreign Office, according to a *Rengo* report from Tokyo. Dr. Wang is said to have presented to Mr. Hirota a picture of actual conditions and tendencies in China. Mr. Hirota is said to have declared that Japan was always prepared to extend helpful assistance to China whenever anti-Japanese activities would be brought to a stop. Dr. Wang later called on Mamoru Shigemitsu, vice-Minister of Foreign Affairs and former Minister to China.

Although there may be some Chinese who oppose Japan, China as a whole understands the imperative need for the Sino-Japanese cooperation, Dr. Wang told General Seniuro Hayashi, War Minister, at their one-and-a-quarter hour interview in the morning of Feb. 21, according to *Rengo*. General Hayashi, on his part, told Dr. Wang that Sino-Japanese cooperation was one of the few ways of "saving the Orient," and blamed the present unsatisfactory relations between the two countries on "China's anti-Japanese attitude."

MANY JAPANESE OFFICIALS VISITED

Dr. Wang in the morning of Feb. 21 called on Admiral Keisuke Okada, the Premier, after which he atteeded a luncheon in his honor given by General Chiang Tso-pin, Chinese Minister to Japan.

Among other high Japanese Navy and Army officers Dr. Wang visited were: General Sadao Araki, former War Minister, Viscount Vice-Admiral Takayoshi Katch, Vice-Chief of the Naval General Staff, and Admiral Kanji Katoh, member of the Supreme War Council.

CAUSES OF SINO-JAPANESE CAN NOT BE REMOVED BY MERE DECREE

Causes of Sino-Japanese friction should be eliminated not by a mere decree, but gradually by means of "virtue," Dr. Wang declared at a welcome dinner given in his honor by Kunimatsu Hamada, Speaker of the Lower House, on Feb. 22. Dr. Wang said: "An old Chinese provers says that virtue should be returned with virtue. I believe that this maxim should be applied to everything. My country which sincerely welcomes the speech delivered by Foreign Minister Hirota on the improvement of Sino-Japanese relations, is in fact striving to eliminate all sources of friction with your country. But I don't think it is right to eliminate the causes of friction by a simple degree. Virtue should lead the way so that all other influences may be eliminated."

Dr. Wang on Feb. 26 called on Wu Chen-lin, his classmate at Cambridge University thirty years ago, asking him to abandon his life of retirement in Japan and take an active hand in bringing China and Japan together. Mr. Wu was formerly Chinese charge d'affaires in Tokyo and latr Minister to

Peru, who has lived quietly in Tokyo for the past several years following the death of his Japanese wife.

Owing to the pressure of his engagements Dr. Wang Chung-hui is postponing his departure from Japan. Dr. Wang, who was to have left in the Dollar liner President Coolidge, which sails from Yokohama on March 1, is leaving instead in C.P.O.S. Empress of Canada, which will leave on March 5.

SETTLEMENT OF ALL SINO-JAPANESE ISSUES—HIROTA'S LIFE AMBITION

Mr. Hirota declared at a meeting in the Lower House on Feb. 21 that the settlement of all Sino-Japanese issues has always been his "Life's major ambition." He said that he had "not the slightest doubt" of Gen. Chiang Kai-shek's attitude towards Japan. "If I am wrong in my conviction, the peace of the Orient will be rudely disturbed," Mr. Hirota added. Mr. Hirota explained that although he was at the head of the Gaimusho for 18 months, he was unable to attend to the settlement of the Sino-Japanese Issue earlier because he believed that "the foreign Powers would have misunderstood our intentions."

Therefore, Mr. Hirota said, he first attended to Japan's diplomatic relations with other Powers. "Fortunately," he continued, "Japan's real intentions have now been understood by the foreign powers, thus enabling me to open conversations with China."

According to a report in the *Yomiuri Shimbun*, Feb. 20, Foreign Minister Koki Hirota invited the Japanese diplomats on fulough, who constitute the Foreign Office Councillors, to a meeting to consult on the diplomatic issues of the day.

The opinion of the councillors on the Chinese problems was that before any positive assistance is made to China, she should be called upon to completely stop the anti-Japanese movement and show her sincerity. Foreign Minister Hirota, they recommended, should pursue a most practical policy based on the realities in China. It is expected as a result that no new fast developments will take place to make Japan's China economic policy concrete.

SUN YAT SEN MEMORIAL SERVICE PLANNED IN TOKYO

Plans for a memorial service honoring Dr. Sun Yat-sen, father of the Chinese Republic, are being made by the Japan Cultural Union. Mitsuru Toyama, reactionary leader, who helped Dr. Sun in plotting against the Manchu dynatsy, will read an eulogy of the late Chinese revolutionary leader. The service will take place March 12, the tenth anniversary of Dr. Sun's death.

JAPAN WILL PROPOSE SETTLEMENT OF DEBTS TO NANKING OFFICIALS

The *Osaka Manichi* that as the first step toward readjusting Sino-Japanese financial problems, the organized Japanese creditors of the Nanking government, consisting of 21 banks and commercial houses, will propose that Nanking settle her $700,000,000 indebtedness to Japan.

The organized creditors of the 21 banks and commercial houses recently met at the Kogyo Club, Marunouchi, Tokyo, and decided to urge Nanking to readjust her outstanding indebtedness.

Inasmuch as Managing Director Dr. Katsuji Uchida of the Toa Kogyo K. K. (East Asia Development Co.) and executive secretary of the organized creditors, will visit China early in March to conduct negotiations with Nanking for the refunding of the $10,000,000 loan advanced to China for railway construction, he will be entrusted with starting negotiations with the Nanking Finance Office concerning the settlement of the $700,000,000 loan.

JAPAN TO EXTEND CULTURAL INFLUENCE TO SOUTH CHINA

The extension of Japan's cultural work in China to the southwestern part of the country is being contemplated by the Government, Koki Hirota, Foreign Minister, said on Feb.. 21. He explained that Japan's share of the Boxer indemnity funds was already used widely for cultural work north of the Yangtze River.

Dr. Shinzo Shinjyo, who had been appointed Director of the Shanghai Science Institute, left Kobe for his post on Feb. 23. He was formerly the President of the Kyoto Imperial Nniversity. He will succeed Dr. Chiyonosuke Yokote.

DOIHAR A SAILING FOR HONGKONG TO SEE HU HAN-MIN

Maj.-Gen. Doihara, Head of the Special Service Corps of the Japanese Kuantung Army Headquarters, who had been visiting Shanghai and Nanking during the past week, left Shanghai for Hongkong on Feb. 27 by hhe N.Y.K. Terukuni Maru on a trip of inspection to South China. It is learned that upon arrival at Hongkong, Gen. Doihara will seek an interview with Hu Han-min, the retired President of the Legislative Yuan, and exchange views with him on the Sino-Japanese situation. After visiting Mr. Hu, Gen. Doihara will proceed to Canton to see General Chen Chi-tang and other southwestern military and political leaders there. It is understood that General Doihara is on some important mission in his present visit to South China.

HUANG FU DEPARTS FOR HANGCHOW, LI TSE-YI SAILS FOR JAPAN

General Huang Fu, Chairman of the Peiping Political Council, who had been visiting Shanghai for the past several weeks, left for Hangchow on Feb. 26 en route to his Mokanshan resort to recuperate from his recent ill-health.

Simulanteously with the departure of General Huang, Li Tse-yi, member of the Peiping Political Council, sailed from Shanghai for Japan in the same morning by the Nagasaki Maru after having had an interview with General Huang the previous day. The purpose of Mr. Li's trip to Japan is said to visit his son who has been sick there for several months, but according to Chinese papers, taking advantage of his presence there, Mr. Li may also call on General Chiang Tso-pin, Chinese Minister at Tokyo and Dr. Wang Chung-hui, Chinese Judge at The Hague Court of International Justice.

General Chang Hsueh-liang, Vice-Commander-in-Chief of the Honan-Hupeh-Anhwei Bandit-suppression Forces, interviewed by Japanese press correspondents on Feb. 22, was asked of his views on the Sino-Japanese relations and his attitude towards Japan and "Manchukuo." General Chang replied suavely that he would have been glad to answer the questions in ordinary circumstances but being a military man, it was inexpedient for him to reply to them at present. However, he said that the views expressed by General Chiang Kai-shek recently in in interview to a Japanese press correspondent also represented his own.

PORT ARTHUR COMMANDER VISITS PEIPING

Maj.-General Hamada, Commander of the Port Arthur Fortified Zone, arrived at Peiping Feb. 28 for a visit. Maj.-Gen. Hamada is expected to remain in Peiping for three days.

NEW JAPANESE GARRISON AT CHANGLI

An official communique issued by the headquarters of the Japanese forces stationed in North China at Tientsin on Feb. 20 states that a garrison will be stationed at Changli, (in the Luantung Demilitarized Zone) on the Peiping-Mukden railway, with a view to protecting Japanese residents in the area.

NORTH CHINA'S GARRISONS FOR DISCUSSION

Gen. Yu Hsueh-chung, Chairman of Hopei, accompanied by Gen. Wan Fu-lin, left Peiping for Hankow on Feb. 21 for a conference with General Chang Hsueh-liang.

The *North China Daily News* correspondent at Peiping reported that the conference has been called to consider the question of liquidating the remnants of the "Young Marshal's" troops now serving under Gen. Yu Hsueh-chung. Such a move, it is said, would be in accordance with oft-expressed desire of the Japanese for their removal, leaving Peiping and Tientsin with garrisons of Nanking troops only.

Under the auspices of General Chu Chi-ching, member of the Central Executive Committee and director of the Chengting-Taiyuan Railway, a migration plan on a comprehensive scale for the reclamation of large tracts of waste land in Suiyuan by the Chinese refuges from Manchuria has been worked out. An area of 300,000 mow of uncultivated land on the bank of the Liu River in Suiyuan has been chosen by General Chu for the migration of these destitute people from Manchuria.

MONGOLIANS AND CHAHAR OFFICIALS IN DISPUTE OVER RIGHT TO LEVY TAXES

According to a *Reuter* report on Feb. 25, a serious misunderstanding has recently arisen between the Chahar Provincial Administration and the Mongolian Political Council at Pailingmiao over the latter's right to levy taxes on Chinese goods passing through its jurisdiction. The matter came to a head some time ago when the Suiyuan Authorities refused to pay taxes on a consignment of goods intended for its own use.

Hsiao Cheng-ling, a member of the Peiping Branch Military Council, has been discussing this matter with Prince So, vice-chairman of the Mongolian Political Council, who is in Peiping on a visit, and that as a result of these discussions there is a fair prospect of the case being amicably settled.

BRANCH POST OFFICES TO BE ESTABLISHED AT LHASSA, TIBET CITIES

The Directorate-General of Posts has decided to establish branch post offices at Lhassa, Kangting and Hsining, respectively, capitals of Tibet, Hsikang and Chinghai (Kokonor). Arrangements are being made with the local authorities.

Budget estimates for financial aid to cultural institutions and schools in the outlying territories during the 24th fiscal year (July 1, 1935-June 30, 1936) were: The Association for Promotion of Education among the Mohammedans, the Association for the Promotion of Culture in Mongolia, and the Association for the Promotion of Culture among the Tibetans each to receive a monthly grant of $300. The "New Mongolia Monthly" will receive a monthly subsidy of $100, Hsikang Normal School $200, and the Chengta Normal School $600.

WUCHANG HEADQUARTERS TO START FUNCTIONING ON MARCH 1

A circular order announcing the transfer from Nanchang to Wuchang of the Provisional Headquarters of the President of the Military Affairs Commission on March 1 and the abolition of the Commander-in-Chief's Headquarters of the Honan-Hupeh-Anhwei Bandit-suppression Forces at the end of February, was issued on Feb. 20 by General Chiang Kai-shek, President of the Military Affairs Commission. All documents for the Nanchang Provisional Headquarters and the Commander-in-Chief's Headquarters should be addressed to Wuchang for disposal by the new Provisional Headquarters. General Chang Hsueh-liang, Vice-Commander-in-Chief of the Honan-Hupeh-Anhwei Bandit-suppression Forces, will be appointed Director of the Administrative Office of the Wuchang Provisional Headquarters.

GENERAL CHIANG ARRIVES AT HANKOW

General Chiang Kai-shek, accompanied by Madame Chiang and the senior officers of the Provisional Headquarters, left Nanchang on Feb. 20 and arrived at Hankow on the following day.

KWANGSI MAKES MOVE FOR CLOSER COOPERATION WITH NANKING

Indicative of the growing cordial relations and closer cooperation between the National Government and the Southwest, General Li Tsung-jen and Pai Chung-hsi, leading Commanders of the Kwangsi Provincial Forces, have telegraphed to General Wu Ting-yang, now visiting Hunan on mission on behalf of the Kwangsi authories, to proceed to Hankow to interview General Chiang Kai-shek and report on the Communist-suppression campaign in southwestern China.

SZECHUAN LEADER ON WAY TO HANKOW

Gen. Liu Hsiang, Chairman of the Szechwan Provincial Government, is shortly leaving for Hankow to discuss with Gen. Chiang Kai-shek military policies in connection with the new Governmental drive against the Communists.

SZECHUAN MILITARY COMMENDED FOR ABOLISHING DEFENSE AREAS

Gen. Teng Hsi-hou, the former Governor of Szechuan and now Commander of the 28th Army, has taken the lead in relinquishing all his self-conferred ruling powers in his sphere of influence in that province, so that the centralization of provincial administration can be realized at an early date. In a message to Wang Ching-wei, President of the Executive Yuan, Gen. Teng regrets the state of militaristic feudalism that has obtained in Szechuan for the past decade and has robbed the people of their rights to the pursuit of happiness.

For discarding the feudalistic system of "defence areas," General Chiang Kai-shek, in a telegram to the Szechuan Provincial Government, highly commends the action taken by the various Szechuan commanders in restoring civil and financial affairs, education and reconstruction matters in their garrison areas to the Szechuan Provincial Government.

General Chiang Kai-shek has issued a circular order to the various military commanders in Szechuan, strictly forbidding them to establish mints or issue currency notes in their respective garrison areas.

Dr. H. H. Kung, Minister of Finance, has dispatched a telegram to General Liu Hsiang requesting that troops be regularly stationed at Tsulicuching and Kungching, two salt-producing centers in Szechuan, as precautionary measures against bandit outrages.

IMPORTANT RED STRONGHOLD IN SZECHUAN RECOVERED

The Government troops at Hsuanhan, northeastern Szechuan, launched a furious attack on Feb. 23 on the Communists entrench in the Pei Hao Shan fortress (White Crane Mountain). Taking advantake of their strategic position, the Communists sustained the attack for more than four hours. Finally with the arrival of Government reinforcements, a combined onslaught was made against the Reds and the mountain stronghold, completely occupied. The defeated Reds are now fleeing further northward towards the Shensi border.

Military dispatches from Szechuan received at Hankow report the capture of such strategic points as Leifengchang, Lofengchang, Fengyichai, Chaoyangchai, Fochichai, Chienshantzu, Hsiangluchang and Sansingchai by units o fthe 3rd Route Army under General Li Chi-hsiang. The so-called 88th, 80th and training divisions of the "Reds" were completely routed by the Szechuan troops. Tatsaochang, Sinmiaochang and Yangwan Shan (mountain) between Tungkiang and Nankiang have also been captained. A joint offensive on the "Reds" at Nankiang, the last "Reds" stronghold in northern Szechuan, is soon to be launched.

The Communist threat to Kansu is increasing daily, according to a report published in the *North China Daily News* on Feb. 23. The Reds under Hsu Hsiang-chien, who were formerly in north-eastern Szechuan, have moved out of that province and have occupied several towns in southwestern Shensi, on their way to the Kansu border. Another group of Reds, who have been lying low in Honan near the Shensi border for some while, are moving westwards towards Kansu, their exact position being uncertain. While the Reds who were driven out of Kiangsi and Fukien into Kweichow are apparently waiting their chance to break northwards from an area on the borders of Kweichow, Yunnan, and southwestern Szechuan. To meet the danger from these Reds, the Government is moving troops into the province so far as conditions of transport permit. About 65,000 Government troops are already in the province and more are on their way.

FOREIGN MISSIONARIES IN DANGER

The incursion of Communists into South Shensi and the consequent danger to missionaries were the subject matter of telegrams received by the British Consulate in Hankow on Feb. 26 from the Shensi authorities. They stated that Gen. Sun Wei-ju already has been instructed to inform his subordinates to afford adequate protection to missionaires and, if necessary, to remove them to safety from the danger zones.

Five missionaries and two infants already have arrived safely at Fengchiang. Meanwhile, special instructions have been issued to endeavour to obtain the release of S. C. Frencham, of the China Inland Mission at Ningkiang, in South-west Shensi, and to discover the whereabouts of his wife.

The Communists from Honan are composed of the remains of the 25th and 28th Red Armies. For some time while nothing has been heard of them. Driven out of Hupeh, they found a home in a somewhat barren district on the border of Honan and Shensi and there they appear to have been content to escape the attacks of troops and call as little attention to themselves as possible. Recently they joined the move westward, and it is believed that they are now somewhere in the middle of the province. It is considered certain that they hope to join the Reds under Hsu Hsiang-chien on the Kansu border.

KWEICHOW CITY CAPTURED BY REDS

Messages from Kweiyang indicate that the Communists again are invading northern Kweichow, following their unsuccessful attempt to penetrate westward. It is understood that the Reds have captured Tucheng, Kweichow, about 20 miles east of the Szechuan-Kweichow border, following a fierce fight with Government troops.

KWEICHOW CHAIRMAN TO VISIT THE GENERALISSIMO

General Wang Chia-lieh, Chairman of Kweichow, is planning a visit to Nanking and Hankow to interview the Central Government leaders and General Chiang Kai-shek, and report on the political and military affairs in the province. He will travel by way of to Szechuan, whence he will proceed to Hankow by airplane.

HO LUNG STILL HOLDS MISSIONARIES IN HUNAN

According to the latest advices, Ho Lung, the notorious Red leader, holding the two captive missionaries, A. Hayman and R. A. Bosshardt, is still ensconced in north-western Hunan, with his headquarters at Yungshun and his forces billeted in the district between Yang-shun and Taiyung to the east. He has two detachments over the Szechuan border, at Yuyang and Kienkiang.

The position of the Communists under Chu Teh—the strongest force the Government has to face—is causing anxiety in Szechuan. From their first movements, it was believed that they intended to march through Kweichow and enter Szechuan in an attempt to cross the Yangtze somewhere near Hokiang. While they were still at Tungtze and Tsunyi in Kweichow, they sent an advance guard ahead of them which succeeded in occupying Kikiang over the Szechuan border.

NANCHANG OFFICE OF N.E.C. ABOLISHED

In compliance with an order of the National Government, the Nanchang branch office of the National Economic Council was abolished on Feb. 25.

JAPANESE ALLEGE GEN. CHIANG PLANNING SUBJUGATION OF KWANGSI

The Japanese *Rengo News Agency* reported from Hankow on Feb. 20 that a strong possibility of fresh developments in the much-complicated relations between Nanking and Canton looms there as information indicates that, contrary to previous reports, General Chiang Kai-shek's arrival there is primarily connected with his project for an immediate and drastic solution of the Southwestern problems, using the influence of his big army. General Chiang now plans to bring pressure on Kwangsi province, one of the greatest elements of the South Western faction, in view of the fact that both Hunan and Kweichow provinces have now come under the influence of the Central Government. It is believed that the reported project of General Chiang may possibly succeed, as General Li Tsung-jen, commander of the Kwangsi troops, is in no position to defend the province successfully against the Government troops in case of hostilities.

$4,000,000 BOND ISSUE BY CANTON

The Kwangtung Provincial Government on Feb. 26 approved the flotation of $4,000,000 worth of short-term bonds by the Department of Finance, to secure money to meet heavy Government expenditures. An official spokesman declared that the Government needed considerable funds to finance projects in connection with the three-year plan of reconstruction.

EXCITING ENCOUNTER WITH BANDITS

Nine bandits were drowned and several others were killed during a thrilling encounter on Feb. 26 between a Government patrol-boat and a pirate junk in the vicinity of Chungshan district, Kwangtung.

The outlaws were attempting to seize a fishing-junk loaded with several thousands of dollars worth of oysters and other sea-products when they were attacked by the patrol-boat, which fired and sank the pirate vessel. The desperadoes were armed with two rifles and several pistols.

KWANGSI CONSCRIPTS MASS AT LIUCHOW FOR TRAINING

The enforcement of the conscription system in Kwangsi province, more than 4,000 conscripts have been enlisted. They are now being concentrated at Liuchow, northern Kwangsi, to undergo a period of intensive military training.

CHINSSE SAID HOUNDED OUT OF INDO-CHINA

More than 260 overseas Chinese have arrived in Swatow as victims of an alleged wholesale anti-Chinese persecution campaign in French-Indo-China, according to information received by the Ministry of Foreign Affairs on Feb. 25.

The matter is engaging the serious attention of the Foreign Ministry which has cabled inquiries to the Consulate in French-Indo-China for further details preparatory to taking action in the matter.

NEW MAGISTRATE OF CHUNGSHAN TAKES UP DUTIES

Yang Tsu-yi, the new Magistrate of the Chungshan Model District, birthplace of the late Leader Dr. Sun Yat-sen, assumed his office on Feb. 25.

CANTON TO SEND MORE MISSIONS TO EUROPE

In addition to the military and air missions which had already been sent abroad General Chen Chi-tang has decided to dispatch a political mission to Europe to study the political, social and economic conditions there. The mission consists of 15 persons headed by Lin Chung-ming and was scheduled to sail abroad at the end of last month.

RESHUFFLING OF THE MINISTRY OF INTERIOR

A reshuiffling of the Ministry of Interior took place Feb. 26, when Tao Lu-chien and Hsu Hsiu-chih were appointed respectively Political and Administrative Vice-Ministers of the Ministry of Interior by the Executive Yuan at its meeting this morning in succession to Kan Nai-kwang and Fu Ju-lin who had resigned. Mr. Tao until his new appointment was a member of the Legislative Yuan and also a member of its Foreign Relations Committee, while Mr. Hsu, a member of the Peiping Political Council.

Having concluded its investigations in the various countries in Europe and America, the Military and Communications Mission, organined jointly by the Ministries of War and Communications and headed by General Hsu Ting-yao and Yu Fei-peng, is on its way of return to China from America. The Mission is returning in two groups. The communications group headed by Mr. Yu is expected to arrive at Shanghai at the end of this month, while the military group headed by General Hsu Ting-yao will arrive about 10 days later.

February 19, the birthday of the New Life Movement, is to be definitely fixed as the memorial day of the Movement. An order to this effect has been issued by the National Government to the subordinate organs under its direct jurisdiction.

In recognition of his meritorious and loyal services to the Party and the Government, the National Government has approved of the public burial of the late General Lu Ti-ping, former Chairman of the Chekiang Provincial Government, and also sanctioned the appropriation of $30,000 for his funeral expenses. General Lu will be buried in his native province, Hunan.

GEN. WEN RESIGNS AS COMMISSIONER OF POLICE OF SHANGHAI

Fifty days after his assumption of office, Major-General Wen Chao-hsi, commissioner of the Public Safety Bureau of the City Government of Greater Shanghai, resigned from his pots last week. Lieut.-General Tsai Ching-chun, until recently Bureau Director of tthe Nanchang Provisional Headquarters, has been appointed Maj.-General Wen's successor. Lieut.-General Tsai arrived at Shanghai on Feb. 24 and is prepared to assume his duties on March 1.

LARGE QUANTITIES OF CEREAL STORED IN TEN PROVINCES

In accordance with a recent order of General Chiang Kai-shek, a total of 5,036,250 piculs of cereal has been stored in granaries by the Provincial Governments of the ten provinces of Hunan, Chekiang, Kiangsi, Kiangsu, Anhwei, Hupeh, Honan, Fukien, Kansu and Shensi, it is announced at the Ministry of Interior. Over $330,000 has also been set aside by these Provincial Governments for the further storage of grain.

NANKING TO ERECT OBSERVATORY AT TAI SHAN

An observatory will be erected at the sacred mountain of Tai Shan, in Shantung, this spring, by the Academia Sinica in order to study astronomical changes.

Japanese and White Russian Generals Split-Up the Soviet Union---On Paper

BY THE REVIEW'S HARBIN CORRESPONDENT

IN a war against Japan, the Soviet Red Army could not hold out longer than three months was the opinion expressed by ex-General V.D. Kosmin, well known White Russian in Harbin, according to *The Harbin Times*, a Japanese newspaper here. Ex-General Kosmin is professor of strategy and tactics in the local Japanese-fostered White Russian Military School. Amongst the Whites, at least, he is regarded as a foremost authority on military questions, especially those affecting Russia and her neighbors. He is the author of a text-book on modern strategy, as well as a number of articles on military subjects, some of them dealing with the strategy of the much discussed Soviet-Japanese war. In this respect, he comes next to General N.N. Golovin, who lives, as I understand, in Europe, but whose works are equally well known to the Japanese and Whites here.

This map, drawn by *The Review's* correspondent at Harbin, is based on ambitious plans openly discussed in Harbin by Japanese and White Russian army officers. The accompanying article is based on these reports, frequently referred to in the Japanese subsidized Russian-language and Chinese-language newspapers of the North Manchurian metropolis.

General Kosmin was asked by a representative of *The Harbin Times* to express his opinion on the speech made recently by Comrade Tukhachevsky, assistant Commissar for Defence, made before the 7th Congress of All Union Soviets in Moscow on the defences of the Soviet Union.

"Tukhachevsky spoke at great length about the education of Red officers, saying that the number of officers with higher military education was growing, being nearly equal to that obtaining in other armies," began General Kosmin. "But, should we consider it as higher military education, when the Red General Staff Academy admits into its walls practically illiterate persons, whose qualification comes only to some superficial knowledge of economics, having nothing to do with pure military science? Will the army led by such poorly educated leaders be victorious over the army, whose high command will be composed of old, experienced and highly educated officers, leading their forces strictly in accordance with modern strategy and experiences of the last war?"

Replying to these questions, General Kosmin said that the high command of the Red Army is not fit to carry on a successful war with a European army. He said that, in actual war conditions, the Red commanders would not be able to coordinate successfully the multi-sided arms of their own forces. A modern battle is not merely a conflict of the infantry and artillery of the opposing forces, he said. It is the conflict of the air forces, tanks, armored cars, engineering corps, supply departments, all supplementing the activities of the infantry and artillery, and, moreover, interdependent on each other. All these arms are extremely mobile, yet they are in perfect touch with each other by means of highly complicated systems of communication. Will the Red commanders, with their present theoretical and practical background, be up to the mark so as to be able to outmatch their opponents? "Certainly not," says the General.

"Much we hear of the 'Osovoaviohim,' the organization formed to foster chemical means of warfare," continued the General. "We are told that it has over a million of members, all said to be trained for chemical warfare. Does it mean that all these people are well trained for offensive operations, too? In chemical warfare, the easiest of all is the defence, which comes to putting on gas-masks and rushing into a dug-out or a similar place, specifically designated in previous drills. All this does not require any great technical knowledge. There is, too, a psychological factor, which helps the adoption of quick and orderly measures of self-defence.

"It is another question with the offensive side of the operation. It is, mainly and essentially, the job of air forces and the artillery, working with gas shells. Attacks by gas clouds, as done in the Great War, require special highly trained troops, coordinating their activities with other arms in the field. Is the Red Army well supplied with such highly trained troops? Are their replacements as good as the first line troops? No. Can it be said that their artillery is equal, in respect of the number and marksmanship, to the artillery of other major powers, including, the Japanese? No. Can they muster equally good replacements for their artillery and with any degree of assurance? No."

"Tukhachevsky likes figures; he speaks only in terms of figures," continued the General. "He cites numerous statistics, all purporting to show the enormous increase of the Soviet armament. He says that in the course of the last four years the Soviet air force has grown by 330 per cent, that the number of medium size tanks has increased by 660 per cent, and that the Navy's U-boats have increased by 535 per cent. For an uninformed person, these figures seem to be stupendous, but in reality they are not so. Suppose, in 1934 the Red Army had ten tanks in the Far East, and that in 1935 this number was increased by 100. It would mean an increase by 1,000 per cent. Or, suppose, a division had two heavy guns, which was increased by 10. Then the increase would be 500 per cent. And it is a well-known fact, widely accepted by military experts, that the Red Army is the worst furnished one by artillery

in Europe; to its size, it has only half of what other armies have. Furthermore, the showing of Red artillerymen is open to question! I don't think that, in marksmanship, they can equal artillerymen of other armies, including the Japanese. This seems to be especially true with regard to artillery replacements, the technical qualification of which will be from bad to worse".

Referring to a cardinal point of Red air forces, on which the Red command seems to lay the greatest possible reliance, the General was equally pessimistic. "The present air force seems to be quite strong, but I doubt whether its morale is as good", he said. "What does the desertion of Vahromeyev and Dimitriev mean? Is there any assurance that there will not be similar desertions? Does it not show that there exists a serious cleavage of morale of Red airmen due to the almost pathological system of oppression and espionage, obtaining in Russia, and ,foremost of all, in the Red Army?" With such a morale of Red airmen, the General thinks that their fighting spirit will be broken in an early stage of war; moreover, a probability seems to be not altogether impossible that some, if not many, Red airmen will simply desert their ranks and come down to the enemy air-fields (sic). What about the replacements for the Red fliers? The General thinks that it will be extremely difficult for the Red command to muster equally efficient and reliable replacements for the first line Red fliers.

"The Soviet reservists are the worst enemies of the Soviet regime!," Said General Kosmin emphatically. While the present contingent of Blucher's army may be said reliable, being composed of Communists and their sympatizers, yet it is good only for the first weeks of sanguinary battles, as a result of which this contingent will be wiped out. This will necessitate the calling to the colors of reservists from villages and towns. Being inwardly anti-Communists, these reservists, what with bad transportation, rationing, equipping, and management, inherent with the Soviet regime, will constitute a highly inflammable product, ready to burst out at the least possible provocation. The Soviet terrorism, through which the Communist regime exists, will provide this provocation, said the General. It will be increased ten fold and will compel the reservists to take vengeance into their own hands, wrecking the whole Soviet machine of State.

Japanese Lay Down Fine System of Communications

"Look at the map and compare the communication systems of Eastern Siberia and Manchuria! What a fine system of railroads and highways have the Japanese laid down in the course of the last two years, and are in process of laying down more of it! Competent observers have fully pointed out this side of the situation, so I need not enlarge it here. Compare the food problem and general situation in both the countries, and make out your own judgment! How can one expect that, with a single railroad, be it even double-tracked, badly equipped and managed, as it is, and with food, clothing, and other shortages in the chronic form even in time of perfect peace, with disrupted currency and the general internal situation, the Red Army will be victorious over the Japanese Army? They have, to be sure, one more stake, a revolutionary uprising in Manchuria, Korea, China and possibly Japan, in the rear of the fighting forces, but with the sale of the Chinese Eastern Railway, the forcible withdrawal of Soviet citizens from Manchuria, and the efficient control of the Red scourge, of which the Japanese are masters, this stake is and can be beaten!," said the General in conclusion.

Here, the interview ended. Thus, in the opinion of this "expert" it would appear that an easy and glorious victory awaits the Japanese Army once it wages war on the Soviets. Then, why do not the Japanese start it right now? Why is this delay? Are they really peace-loving people as they profess to be?

While forecasting the ultimate result of this much talked-about war is certainly a matter of opinion, in which some persons seem to be apt to mix up their own desires, it is perceptible that, here, in the Far East, are working several undercurrent forces, or, rather, schools of thought, which base their activities on the premises of an inevitable, in their opinion, Russian debacle. It is another way of saying that these forces work on the premises that the Red Army will be defeated and that this defeat will be, most certainly, followed by a prolonged internal strife, the ultimate result of which seems to be hidden in the dim cloud of the future. And all these forces work on the *dismemberment* of Russia. If you doubt it, here are the facts.

(1). "*Manchukuo No. 2*". The protagonist of this movement needs no introduction. You know him. He is Ataman Semenov, who is an acknowledged leader of a supposed "buffer" State between Siberia on the one hand, Manchukuo and Japan, on the other. The territory of this State will be composed of the present Trans-Baikal, Amur and Maritime Provinces of Siberia. Semenov appears to have a considerable following, especially amongst Cossacks of the three named provinces. He loathes, of course, the name of a "Manchukuo No. 2", preferring the name of a "buffer", but I doubt whether it will make any great difference. He resides in Dairen, in a cottage presented to him by a "titled" admirer of his in Tokyo.

It might be quite possible that this "buffer" State will be headed, nominally, at least, by one of the Russian Grand Dukes, now living in retirement in Europe or America, and of whom there is quite a crop. It is believed that any one of them would be glad to have a soft berth out here. There is already a rumor to the effect that Grand Duke Cycil, pretender to the Czarist throne, has "recognized" Manchukuo and is ready to come to the Far East. The idea of heading the "buffer" State by a Grand Duke is said to be especially capitvating to some influential circles in Tokyo, which believe that monarchism is the symbol of the age.

Further, if need be, I might name even the ministers of this State, as whispered here amongst Russians.

(2). "*Dominion of Siberia*". This movement is headed by Professor Golovatchov, the editor of *The Kung Pao* (Harbin), formerly a Kuomintang paper, now a mouth-piece of Manchukuo. He is assisted by Colonel Porotikov, General Vishnevsky, and a few more persons. As it could be made out, this movement does not aim at ceding Siberia from Russia, but, rather would like to have Siberia incorporated in the vast Russian federation with the status of a Dominion, this relation being similar to that existing between Canada and Great Britain. But, insofar as Russia is governed by the Communist party, these people would like to see Siberia detached and quite independent, rather than to see her as part of the Soviet State. With the downfall of the Soviet regime in the entire territory of Russia, they would of course welcome the reunion with a mother country, however with the status of a Dominion.

Unlike the "buffer" State scheme of Semenov, this movement is said to be quite old, its conception dating back in '90s of last century. As an auxiliary body to the movement, they have established an organization called "Society of Friends of Siberian Nationalities", but, surprisingly enough, it is said that not a man of numerous Siberian tribes is a member of this Society.

If need be, I also would name the future ministers of this State.

(3). "*Ideal—Ural Empire*". This is a brand new movement, sponsored by Gayas Ishkhaki, a Tartar, said to be a writer of considerable fame amongst his own people as well as in the Mohammedan world generally. He is a follower of Abdul-Rashid-Hasret-Ibrahim, a religious leader of considerable influences, now residing in Tokyo. Why he lives in Tokyo, where the Islamism has a very small following, and not in Turkey, Persia, or Afghanistan, the recognized centres of the religion, has never been satisfactorily explained.

If realized, this Empire would work havoc to the Russian territorial integrity, indeed. It aims at uniting the present provinces of Kazan, Ufa, Perm, Orenburg, Astrakhan, in European Russia with Russian territories in Central Asia, all said to be predominantly inhabited by Tartars, Kalmuks, Kirgiz, Sarts, Uzbeks, and other Mohammedan tribes, and establishing one vast Mohammedan State, possibly including a part of the Chinese Turkistan. At this writing, a Congress of promoters of this movement is sitting in Mukden (in the Oriental Hotel). It is believed that it will make an important announcement.

If need be, I would also name the possible ministers of this projected State.

(4). "*The Mongolian Republic*". Although nothing is heard about Mongolians (I mean Outer-Mongolians) sponsoring a movement for complete independence, it must be presumed that, in case of the Russian debacle, they are likely to make a bid for regaining their political independence. However, in that case, they will face the greatest possible danger from a "Manchukuo No. 1", which will, no doubt, retain its stretching and enveloping qualities intact.

All this makes a most interesting reading. There are many men, especially amongst the Holy-Russia-type, who laugh at these schemes. They seem, however, to forget that the world has seen stranger things than these. Twenty years ago, could it be foreseen that a brand new "sovereign" States would come out of debris of the Russian and Austro-Hungarian Empires? Could one then foresee the appearance of a Polish Corridor? If this Corridor could be possible in Germany, why cannot it be possible in Russia, for the Ideal-Ural Empire is, after all, a Corridor in project? Who can deny all these peoples, if they represent an ethnological whole, the rights for complete independence? Is not this the age of extreme nationalism, when subject nations are, slowly but surely, regaining self consciousness?

As is seen from the foregoing, a good part of these movements of separatism is sponsored by the white Russians themselves. Whether they do it sincerely or for tactical purposes I do not profess to know, but, if the initiative for the dismemberment of Russia comes from the Russians themselves, then the subject nations of Russia seem to be quite in their right to relinquish their ties with her. And the Powers would only welcome this process, for, occupying one sixth of the globe, Russia is really cumbersome; besides, she is too troublesome in her extreme right or left extravagances. Great Britain would first be delighted to see the breaking up of the Russian Empire. In 1918, she not only first recognized the independence of Baltic States but that of Ukraine and Georgia, too. Unfortunately, the latter two countries could not, since then, regain their political freedom, and are still within the Soviet State.

The picture of a Russian debacle and of a prolonged civil war to follow it, of which spoke General Kosmin, would be incomplete without describing the position of Japan. Then, she would be like a good old hen, surrounded by a troop of chickens, big and small; now she would dole them out with a grain or two, now spank them for too radical a movement. Then all the roads would lead to Tokyo; Japan would be a "stabilizing" factor in Asia both in name and in fact; and the dreams of General Baron Tanaka would have been then accomplished.

Harbin, February 19, 1935.

Rural Reconstruction Work Around Nanking

BY C. Y. W. MENG (孟長泳)

PERHAPS the most encouraging piece of rural reconstruction work carried out in and around Nanking in recent years is that done by the Ningshu Agricultural Relief Association (寧屬農業救濟協會), which held its annual meeting last week at the Office of the Central Forestry Bureau. This Association, it will be recalled, was organized during the big Yangtsze Flood of 1931 by a group of persons here in the Capital who had been actively interested in flood relief work. The purpose of the Association was to facilitate and coordinate the follow-up work entailed by the loan method of relief, and to afford a permanent agency for promoting the agricultural and economic welfare of the rural population of the area called Ningshu (寧屬) which includes the six hsien around Nanking, namely, Kiangning 江寧, Kiangpu 江浦, Luho 六合, Chuyung 句容, Lishiu 溧水 and Kaoshuen 高淳. It is estimated that these six hsien have a population of 1,750,000 people and a total cultivated area of 4,435,900 mow or about 740,000 acres.

The Executive Directors of the Association are Dr. D. Y. Lin (Chairman), R. S. Hall (treasurer) Kao Ping-fang (secretary), Rev. S. C. Kuo, Mrs. Li Wei-peng, Chi Chung-chuan and Dr. Hu Toh. At the annual meeting held last Friday, at which friends were invited to be present, Dr. D. Y. Lin as chairman took the occasion to thank all the participating agencies for their generous co-operation and support, and after explaining how the year 1934 had been one of special need and of challenging opportunities to render real service to the sorely distressed farmers in the Nangshu Area, reported in detail the year's activities, a brief description of which is given here as follows:—

Cooperative Societies

Cooperating with the Shanghai Chinese-Foreign Famine Relief Committee the Association organized during 1934 altogether 112 co-operative societies in three hsien, Kiangning, Chuyung, and Luho. These societies had a total membership of 1,402, the majority of which were in the rural districts around Fangshan 方山, and the amount of money loaned to them totaled $31,424.

These soceities were organized principally for buying buffaloes (55%), seeds (11%), implements (10%) and fertilizers (6%). The 112 societies, having 1,402 members, benefited approximately 8,412 people. It was estimated that at least 45% of the farmers operating these societies were severely affected by the last drought, and it is likely that the societies so affected will not be able to repay their loans on time, probably not until after the wheat harvest in the coming May or even after the rice harvest next October.

The Agricultural Granaries

In granary work the Association established 145 granaries, as against 301 in the fall of 1933, in as many as 123 villages in Kiangning, Chuyung and Lishiu. Altogether a sum of $55,793 was loaned out from these granaries and approximately 12,180 people were served.

Agricultural Seed Loans

During the year the amount of improved seed grains loaned out by the Association to the struggling farmers was 91,470 catties, —wheat 65,570 catties; rice 22,500 catties; beans 3,000 catties; cotton 200 catties; and corn 200 catties. Altogether 14,030 mow of land were planted with these seed grains and 1,686 families scattered in 92 villages were benefited. Most of these seed grains were supplied by the agricultural colleges of the National Central and Nanking Universities.

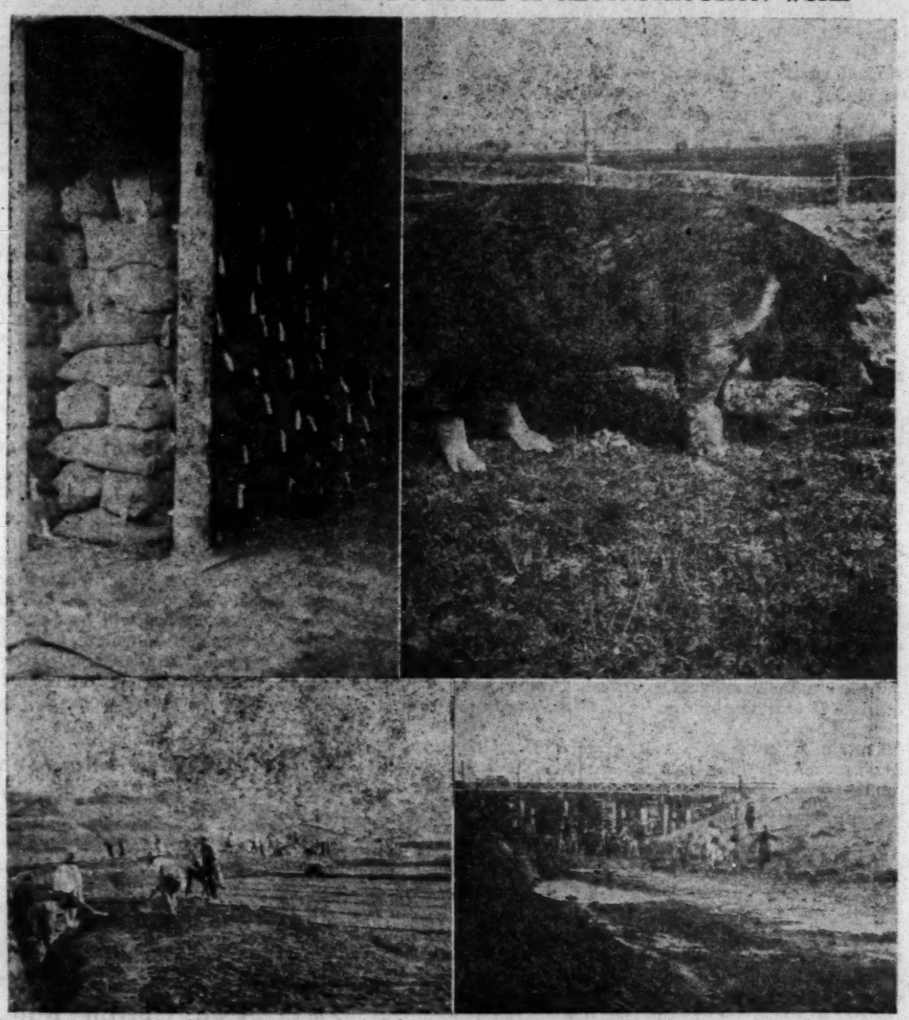
Hog Improvement Work

In hog improvement work the Association distributed altogether 319 crossbreeds to more than 300 families. These crossbreeds are products of two pedigreed foreign boars kept by the Association for improving the native hogs. According to the report they mature much earlier, grow heavier and produce a better quality of pork, so they are very popular with the Ningshu farmers and are in great demand.

Promotion of Home Industry

This is a new line of work which the Association started and is carrying out in a certain village called Shun Hwa Chen about 45 li south of Nanking, the purpose being to give suitable work to the very poor women in that area. Already twelve hand knitting and weaving machines have been bought and fourteen women enrolled for the work. The project was made possible by the special contributions of the Nanking Rotary Club and St. Paul's Church in Nanking, and the Association hopes to make it self-supporting. According to Mr. Lin, who showed specimens of the cloth made by these women to the Rotarians at one of their recent meetings, every one of the Rotarians considered the specimen satisfactory and gave at once a substantial order for the product, thus administering a further help to those poor women in Shun Hwa Chen, and putting the project on a very encouraging basis.

SCENES SHOWING PRACTICAL NATURE OF RECONSTRUCTION WORK



Upper left: **How mortgaged rice is stored after granary is sealed.**
Upper right: **Poland—China boar used by the Association for the hog improvement project.**
Lower left: **Drought sufferers engaged in Road repair, Kao Li Den, Kiangsu.**
Lower right: **A View of drought sufferers dredging the Wan Ho, Kiangsu.**

Miscellaneous Projects

In addition to the different types of work enumerated above, the Association also carried out other projects, such as, the promotion of fish industry, duck raising, buffalo loans, and goat raising in the Ching Hwai region 秦淮; the reclamation and colonization of barren lands in the eight chu 區 (districts) of Chuyung hsien; and the caring for 80 refugee orphans in the Kiangpu hsien.

Drought Relief Work

According to report the farmers in the Ningshu area suffered more as a result of the last drought than other places. It was estimated

that over 3,000,000 mow, or 65% of the total cultivated area in Ningshu, were affected. The Association took up 'the drought relief work in response to the request of the Chinese-Foreign Famine Relief Committee of Shanghai and the various philanthropic organizations of Nanking. The work began in the month of December and is still going on. It consists principally of labor-relief, where able-bodied men are being employed at 30 cents per day to work on projects of practical and permanent value, such as, the building or repairing of dykes and roads or the making or deepening of ponds and irrigation canals.

Altogether a sum of $75,000 was raised and entrusted to the Association by the different participating agencies for distribution to the drought sufferers in the different hsiens.

At the time that the report was written, in Lishiu 溧水 and Chuyung 句容, drought relief work was just being started. Kaoshun 高淳 work was half done, while Kiangpu 江浦 work, which began the early part of December, was about finished. According to Mr. Lin, who described in detail the work in Kiangpu where $15,600 of the relief funds was being distributed, the spending of the money in such labor-relief work has meant that (1) nine projects of practical and permanent value were carried out, involving a total of 126,360 kung or labor days; (2) at least 800 drought sufferers had been given work at the rate of 30 cents per day per man for a period of over two months; (3) over 10 miles of waterways had been deepened, 2,060 mow of land had been reclaimed, and about 8.5 miles of road repaired; (4) in this connection at least 100,000 feng 方 of earth had been excavated, moved or filled; and (5) 7,220 families among the drought sufferers, representing approximately 43,300 people had been directly or indirectly benefited during and after the trying winter months.

A Strong Appeal for Support and Co-operation

Concluding his report, Mr. Lin made a further appeal and among other things, said inter alia:—

"The methods employed by this Association in the various phases of its service as briefly recounted in this report, have been tested by experience, adapted to meet the actual conditions encountered, and found to be successful and effective.

"The financial help to those found to be seriously in need is extended in several different forms. One is emergency relief, where in urgent cases, money, food, clothing, seed or medical assistance is given outright. Another is labor relief, where funds are used to enable men and sometimes women, in distress to earn the means of subsistence through labor on projects of practical and permanent value, such as the building or repairing of roads or the making or deepening of ponds and irrigation canals, and the money so expended is not directly recoverable. A third form of financial help is that of loans to Cooperative Societies for various approved purposes and with suitable security. A fourth method is the making of loans to individual farmers against the security of grain deposited in our granaries. These two forms of loans are collectible with interest in a very high percentage of cases. Due to the good collection record of these loans, a virtually unlimited amount of money can be borrowed from any one of several banks for these rural loans. The interest charged to the farmer is purposely kept low and yields very little if anything above what had to be paid to the banks.

"For funds given as emergency relief or used for labor relief, we are dependent upon donations from philanthropic individuals or bodies. For all the kinds of relief, there are necessary expenses. The Executive Board, which gives careful personal attention to the direction of the work, serve entirely without remuneration, but a staff of experienced and capable full-time field workers, and a few office assistants, are indispensible and have to be maintained. The volume of the service we can render depends therefore largely upon the size and capability of the staff that we can support, and this in turn on the amount of the contributions entrusted to this relief Association.

"In the face of the appalling need, and with the agency at hand to meet it, will you not at once make a personal gift, and also endeavor to secure for us contributions from groups and organizations who are willing to share in the ministry to those who, through no fault of their own, have fallen upon hard times and are struggling for their very existence?" concluded Dr. Lin, one of the most energetic social workers in China.

Nanking, February 23, 1935.

Japanese Vice Minister Expresses Regrets Over Ill-Treatment of Americans

An investigation of reports that three Americans were recently mistreated in Osaka, among other things being tied up with ropes by the police (details of which are given in an editorial in this issue of *The Review*) is being made by Howard Donovan, United States Consul at Kobe. The American State Department has said that no position will be taken in the matter until the probe is completed and a report is forwarded by Mr. Donovan, the nearest U. S. Consul to the scene. In the meantime the Japanese Vice Foreign Minister has expressed his regret over the Osaka incident, regardless of who was to blame and has promised the United States a full report upon the matter.

Julean Arnold Suggests That "Project System" Be Adopted by China Organizations

Julean Arnold, American commercial attache, in an address before the Shanghai Bankers Club, held Feb. 20, at a meeting held under the joint auspices of the Foreign Trade Association of China and the China Institute of International Relations, said there are still great sections of the American people who know little about China and things Chinese. Most of their ideas date back to the traditional beliefs of 10 years ago derived through their contacts with Chinese immigrants along the Pacific Coast. Chinese consular officials, he said are promoting closer cultural contacts between the two countries, but their low scale of salaries is incompatible with their public office and functions and does not enable them to entertain lavishly on occasions when they are called upon to speak to American audiences about China.

Another aspect of Sino-American cultural contacts is being promoted through the "Asia Houses" on the Pacific Coast. Meetings and speeches by sinologists are being conducted, while magazines dealing with Chinese culture, arts and philosophy are being published, he said. The idea of the "Asia Houses" is being particularly well received in Los Angeles, San Francisco, Portland and in Seattle, said the speaker. Mr. Arnold said that while there is a constant stream of American tourists visiting the historical spots in Continental Europe, the average American tourist has very flimsy ideas about China.

In conclusion, Mr. Arnold suggested that the "project system" adopted by the board of directors of the California State Chamber of Commerce whereby industrial projects are investigated, reported on and following approval by the directors, are being carried out one at a time with practical results in the development of harbor facilities, bridge building and other similar schemes, might be followed out by similar organizations in China.

Educational Film Conference Held in Nanking

Several important resolutions, including China's participation in the International Rural Film Contest and Exhibition sponsored by the International Film Association, and measures for the promotion of educational motion pictures in China, were adopted at the second meeting of the Executive Committee of the China Educational Film Association held in Nanking Feb. 20. It was also decided that the fourth annual meeting of the Association will be held at Hangchow this summer. General Huang Shao-hsiung, Chairman of the Chekiang Provincial Government, and Chow Hsiang-hsien, Mayor of Hangchow, and several others, were elected members of the preparatory committee for the Convention.

Chinese Film Censorship Regulations Being Made More Stringent

A set of revised Regulations governing the enforcement of the Film Censorship Law, was promulgated by order of the Executive Yuan in Nanking, Feb. 20. According to these regulations, any film, made in China or abroad, that is submitted for censorship, should be transported to the Capital and forwarded to the Central Film Censorship Board (jointly organized by the Ministries of Interior and Education) for approval.

Ewo Cotton Mills to Draw $150,000 from Reserve to Pay Dividends

The consulting committee of Ewo Cotton Mills, Ltd., last week voted that shareholders should be recommended to withdraw from equalization of dividends reserve the sum of $150,000 to be added to the amount at credit of Profit & Loss Account at December 31, $506,257.85; distribution including an 8 per cent dividend on preference shares ($100,699.30) and a 30-cent dividend on 1,000,000 ordinary shares ($300,000.)

In 1933 Ewo paid $400,000 to the ordinary shareholders; in 1932 over a million dollars; and in 1933 more than two and-a-half million dollars.

Sir John Simon and Quo Tai-chi Discuss Far Eastern Situation

The situation in the Far East was exhaustively discussed during the course of a long conversation in the House of Commons Feb. 20 between Sir John Simon, the Foreign Secretary, and Quo Tai-chi, Chinese Minister at London. Mr. Quo, it is stated, was assured that Great Britain was paying very close attention to developments in the Far East. The Chinese Minister held a discussion with Lord Lothian on the following day. *Reuter* says relations between China and Japan are being anxiously followed by Far Eastern circles in London.

The Sino-Japanese Drama

BY ALFRED Y. L. KONG (江友民)

IN a speech, delivered to the Central Political Council on Feb. 20, Wang Ching-wei, president of the Executive Yuan declared:

"It is my intention to acquaint you with my personal reactions towards Mr. Hirota's speech. In a way what I am going to say may also be taken as an explanation of our fundamental policy towards Japan. In order to modernize China we must direct our attention to two important pre-requisites, namely unification and reconstruction. We have been handicapped by institutional deficiencies and economic backwardness as well as by lack of communication and educational facilities. To realise our aims in unification and reconstruction we must have durable peace; but in this modern world, where communications have become so highly developed and where political and economic inter-relationship among nations has grow so close, our love for peace must be interpreted in the broadest sense".

Continuing, Mr. Wang stressed China's eagerness for peace: "under principles of equality and mutual assistance to promote friendly and peaceable relations with any country, not to mention a neighbor like Japan, whose geographical, historical, cultural and racial relationship with this country is so close." He also emphasised strongly the foreign policy of the late Dr. Sun and collaborated with him in saying: "It was the basis of his Sino-Japanese policy, to which he adhered during the whole of his life time." He further reminded the Council that our revolutionary works, from the days of Chung Hsin-hui, and through the period of Tung Meng-hui down to the revolution of 1911, had received considerable help and sympathy from our Japanese friends, whether officials or non-officials.

The latter part of his sensational speech dealt with the complications arising between China and Japan during the past twenty years and the seriousness and danger of their nature and how they had effected world peace. He was strongly convinced that the unfavorable relationship between China and Japan could be solved by means of mutual understanding and sincerity, "since relations between China and Japan have had a history of such a long duration." He concluded his speech in saying that since now both China and Japan wanted peace, "it is a matter of great rejoicing for us that, by dint of mutual efforts, relations between China and Japan will henceforth have an opportunity to improve as well as to be restored into regular channels and that the hope of close friendship between the two countries entertained by our late leader Dr. Sun Yat-sun, may be realised in a word." If the people of China and Japan do not cling to immediate interests nor mind temporary feelings, but will show each other mutual sincerity and stand for righteouness in order to work for durable peace between the two countries, then it is quite certain that a rational solution of the fundamental issues between the two countries will be obtained. This will be a blessing not only for China and Japan and for Eastern Asia but will also be the greatest contribution to peace in the world."

It is not my purpose to argue for or against the statements made by such distinguished persons as Wang Ching-wei and Mr. Hirota, but to set forth what I feel about the relations between China and Japan which "have had a history of such a long duration."

1.—Undoubtedly, the policy of Japan towards China, during the past twenty years, had been one of continuous oppression and encroachment, taking every advnatage possible, both by underhanded means or open-attacked warfares. Under such circumstances, it is nothing but natural that the feeling of anti-Japanese has been growing in China proportionally to the weight of Japanese pressure. If the Chinese had been feeling this way or are still feeling the same, no one can blame them, although some foreign observers praised the Chinese as possessing exceptional calmness and patience. I am not here to analyse the Chinese psychology or criticise the Chinese spirit since I am a member myself. But if anyone should tell the Chinese that they had no right or reason to entertain an anti-Japanese feeling, I would say, he was talking "through his nose." But everything can happen in this world. Just as England was France's bitter enemy in the days of Napolean the Great but fought side by side with each during the Great War against Germany so, that Japan can be the close friend of China today, is not a matter of great surprise.

2.—"Japan's geographical, historical, cultural, and racial relationship with this country is so close." This closeness of relationship explains all the existing troubles between China and Japan. Japan was fast progressing, on the other hand, China was limping behind. The consequence was that Japan wanted to "improve China for the Chinese" because she is geographically, historically, culturally and racially so closely related to China. She must mean this, otherwise, how is she to explain her extreme eagerness "to do things for China" even up to the point of wrecking millions of happy homes and sheding rivers of human blood and, finally divorcing herself from her most beloved sweetheart, The League of Nations? If she meant and felt responsible for her "benevolent" action, there was little doubt that the Chinese should entertain such a "grateful" reciprocal feeling for her. Yet there is a popular saying which goes: "Everyone is entitled to one mistake," and as a matter of fact the Japanese have had more, I am strongly convinced that the Chinese, as a nation, can be generous enough to shake hands with Japan once again, if the latter is really true and sincere in her act—for the peace of the Orient and the world at large. But let us ask: how shall we know Japan's sincerity, by the restoration of Manchuria and the demolition of the Puppet State or by what? Or Manchukuo be left as an independent third party? Here is a question which any inquisitive Chinese or foreigner will automatically ask. If the question of Manchukuo is not to be discussed, then let us ask what have been the causes of all these troubles? If so, then China and Japan cannot and will not solve their respective troubles "with a fullness of sincerity and through pacific means, as well as by regular procedure" . . . . and the hope of close friendship between the two countries entertained by our late leader, Dr. Sun Yat-sun cannot be realised in a word.

3.—The policy, as that outlined by Mr. Wang Ching-wei, is as a matter of fact, the only foreign policy towards her neighbor China can advance since she is "handicapped by institutional deficiencies and economic backwardness as well as by lack of communication and educational facilities." She could not win The League of Nations, the Champion of Justice, to her aid, although she did win her over morally. What an invisible, empty, and abstract an adverb! She cannot recover her lost territory with arms, therefore the only course she can choose, if she wanted to attain her aims, namely unification and reconstruction and finally contribution to world peace, is to negotiate with Japan "through pacific means, as well as by regular procedure." If Japan is really sincere and longing for peace and striving to be an angel in the Eastern Heaven as Mr. Hirota declared, then the solution to Sino-Japanese problem is certainly showing itself more vividly than ever. Nevertheless, despite the present signs of a sunny tomorrow, China must guard well. She has enough of experience about "mutual sincerity." At the same time, let Japan remember that unless China's afflictions are healed, the injection of this, or other policies, are of no permanent va'ue. The scar of Sino-Japanese relations shall always remain historically, but the wounds must be healed, otherwise the true state of affairs will show its face some day or other, and the consequence will be worse than ever. In other words, Japan must recognize China's soverignty over Manchuria, and so must other nations, otherwise, Mr. Wang's "principles of equality and mutual assistance to mantain and promote friendly and peaceable relations with any countries not to mention a neighbor like Japan, whose geographical, historical, cultural and racial relationship with this country is so close" can not be realized.

Shanghai, February 22, 1935.

Nanking Branch Bank Manager Accused of Embezzlement

A sensation was caused by the arrest on Feb. 18 of Kiang Chang-shan, manager of the Nanking branch of the Bank of Communications, Ke Hsin-hua, manager of the Bank's sub-office at Hsiakwan, and nine alleged accomplices by the Kiangning District Court, on a charge of having misappropriated funds amounting to $400,000 belonging to the Bank. Discovery of the malpractice was made by an auditor commissioned from the Bank's Head Office in Shanghai, when auditing at the Hsiakwan sub-office on Feb. 18 revealed that $200,000 worth of treasury notes were missing from the Bank's vaults. The police were immediately notified of the case and the apprehension of Kiang and Ke, and their alleged accomplices was subsequently effected.

Futher investigation by the bank officials revealed that in addition to the $200,000 treasury notes, other securities and funds amounting approximately to $200,000 were also missing.

Both Kiang and Ke, according to information gathered from local banking circles, had been using the bank's money for speculation; which caused them to lose heavily.

A preliminary hearing was held by the Kiangning District Court last week, following which Kiang was released on bail.

Nanking Indemnity Refund Donated to Nanking University

A recent Nanking message stated that the Chinese Government's indemnity to America in connection with the Nanking incident in 1927, amounting to $200,000, which was refunded to China by the U. S. Government some time ago, has been donated by the Chinese Government in bonds to the University of Nanking as a contribution.

Foreign Women Given Certificates of Chinese Citizenship

Certificates of Chinese citizenship have been granted by the Ministry of Interior to the following foreign women, by virtue of their marriage to Chinese: Mrs. Lin Yu-hsiang, 33, Formosan, whose husband is instructor at the Central Military Academy; Mrs. Li Jen-tao, 24, German, whose husband is Chief of the Training Section under the Ministry of War; Mrs. Sun Mou-po, 37, American, whose husband is a member of the Planning Committee of the Central Party Publicity Committee.

Japan Bids for China's Co-operation

BY PAUL K. WHANG (汪仲芳)

JAPAN is now out to woo China's friendship—a friendship which she herself has forfeited by the commission of great blunders. To the amusement of the world and the bewilderment of the Chinese, the erstwhile God of War has now disguised himself as an angel of peace, a disguise which can deceive no one except the very short-sighted people. In addition to the sword which she has always wielded over her neighbor, she now also holds an olive branch. Besides the strong-worded warnings and ultimatums which she has habitually used against her neighbor, she is now dwelling on talks of repprochement, reconciliation and even co-operation.

From Japanese premier and foreign minister down to enterprising individuals, friendly sentiments have been expressed of Japan's readiness to be on friendly terms with China, to help in the political task of national reconstruction and to co-operate with China in maintaining the peace of the Far East. To the one who is accustomed to hear the saberrattling declarations of the Japanese Government, these sweet words rather sound too friendly to be accepted at their face value. One can not help suspecting these friendly talks as a camouflage of a new Japanese policy which may turn out to be even more aggressive than the ones which have already been familiar to the world.

Japanese officials in China and Manchuria are now busily engaged in selling these ideas of rapprochement and co-operation to the Chinese officials. Mr. Ariyoshi, Japanese Minister to China, and Lieut. Gen. Yoshiyuki Suzuki, Military Attache to the Japanese Legation in China, have taken the trouble of calling on Gen. Chiang Kai-shek to voice their hope that the Chinese Government should help and improve the present anti-Japanese attitude of the Chinese people so as to realize the dream entertained by China's "friends" in the Japanese Government. Major General Doihara of the Kwangtung Army, the famed "Japan's Lawrence of Manchuria," is now trying to win another laurel in hypnotizing the Chinese officials in Peiping, Tientsin and Nanking to the belief that "co-operation between China and Japan would constitute one of the safest guarantees of peace in the Far East."

The Bait Which Japan Is Holding Out

Besides, high officials of Japanese foreign office are holding conferences to discuss concrete steps designed to aid Sino-Japanese economic rapprochement. It has been even rumored that the Japanese Government, in view of China's present financial distress and her inability to secure loans from the United States and England, has even prepared to extend a loan of $50,000,000 to the Nanking Government as the quid pro quo. It goes without saying that from now on, even a more tempting bait will be held out by the Japanese Government to "buy" China's support to the proposed economic co-operation. Whether China will once again play into Japan's hands, can not be told at the present time.

In the meantime, a group of 40 outstanding Osaka business leaders, in a bid for Sino-Japanese co-operation, has offered to extend economic aid to China, if the latter is "sincerely desirous of economic co-operation with Japan." Simultaneously, the Tokyo Chamber of Commerce and Industry has announced a program aiming at the betterment of Sino-Japanese relations. The proposed program involves, (1) to enlist the services of outstanding authorities on trade relations between the two countries and to request them to formulate a definite program for economic co-operation; (2) to keep in close touch with Japanese Chambers of Commerce and other business organizations in China; and (3) to investigate business fluctuations in China, placing the emphasis on the effects of anti-Japanese agitation on China's economic life.

Japan has now seemed to place herself in the same position as an unfaithful lover, who has tried to win the love of a girl whom he has repeatedly assaulted. True, this girl is constitutionally weak and therefore is not in a position to defend herself and resist his advances; but with the wounds, the pains of which are still penetrating her heart, she can not be expected to forget readily the past wrongs committed by him and turn her ears to his sweet talks. Moreover, the girl, with her past sad experience, is fully aware that these love professions are nothing but empty talks, and that in winning her love, he has some ultra motives to serve. Although in a hopeless and helpless position, she, nevertheless, believes that he may seize her body but can not win her heart.

Just as in the case of this pitiable girl, China can by no means accept these friendly gestures from a country which has forcibly occupied her territories and which is now still seeking new pretenses to extend its conquests. She may be in a financial distress and can not secure foreign loans in the American and European markets, but can not lightly forget her deep wounds and co-operate with a country which has always posed as her conqueror. As a matter of fact, close co-operation between two countries can not be made, unless each one can consider the other as an equal and respect the other's territorial integrity. Now Japan has considered China as a merely geographical expression and has repeatedly violated her territorial integrity in spite of international agreements and engagement. How can China preserve her independent status in co-operating with Japan under such a condition?

Moreover, genuine co-operation can neither be prompted by military pressure, nor by diplomatic talks, nor by the offers of loans, but by sincere wish of two peoples concerned. Japanese people, for commercial gains, may be sincere in their talks of co-operation and ready to extend loans to China to save her from her present financial distress; but Chinese people, though their patriotism is said to be of five-minute-duration, can not easily forget the atrocities committed by her neighbour. Chinese officials may be hypnotized by these sweet talks of Japanese officials and fall into the trap set by the latter; but this kind of co-operation, if it is ever materialized, will not amount to anything, so long as Chinese people have retained their anti-Japanese feeling.

China, with her traditional love of peace, has always been ready to co-operate with every and all nations which can reciprocate her friendship and goodwill. In explaining China's foreign policy, Gen. Chiang Kai-shek, in a recent interview with a representative of the Central News Agency, stated quite plainly that it had always been the policy of the Chinese Government to conduct her diplomatic affairs on the fundamental basis of justice and peace, with the object of peaceful co-operation with every and all nations, and whenever possible, liquidating whatever causes which might breed an atmosphere of hostility.

The present deadlock in the Sino-Japanese relations has been principally caused by Japan's aggressive policy towards China. With Japan's forcible occupation of Manchuria and Jehol, Chinese poeple can not but entertain a strong anti-Japanese feeling and consider Japan as a deadly enemy. This anti-Japanese feeling can only be up-rooted, if the Japanese can make good amends for their past misdeeds and change their traditional attitude. Therefore, instead of indulging in empty talks of Sino-Japanese rapprochement and co-operation, the Japanese had better turn their thoughts to the causes which have led to the present impasse.

Japan Should Make Amends for Past Misdeeds

Action speaks louder than words. If Japan is really sincere in bidding for China's friendship, she should lose no time in redeeming her past misdeeds. Without hesitation, she should repent herself and offer to return Manchuria and Jehol to China without conditions. With the chief cause of grievances removed, China will spontaneously receive Japan as her friend and co-operate with her in the maintenance of the Far Eastern peace. Once this friendship has been restored, all the minor issues between these two countries can be amicably settled and close economic cooperation can be formed to bring benefits to both of these two countries.

The Japanese officials have deplored the presence of this intense anti-Japanese feeling among the Chinese people, but generally they have not the nerve to state openly the causes of its coming into being, and have always blamed the Chinese Government for its inability to suppress this anti-Japanese feeling. So long as the Japanese officials refuse to face the realities of the situation, there is no hope of improvement in the Sino-Japanese relations. It naturally follows that all plans for Sino-Japanese co-operation will remain "mere day dreams."

In conclusion, it may be pertiennt to quote a few of the statements made by Gen. Chiang Kai-shek in his interview with the correspondent of *Osaka Asahi* on the present Sino-Japanese situation and the fundamentals for the co-operation of the two countries. The General said, inter nalia, "Sincerity and justice are the first fundamentals upon which co-operation should be based and only through them could true co-operation be fully realized . . . . . The Northeast situation as it exists today daily added grievance to our people and due to repeated provocation it would be impossible to eradicate the anti-Japanese feeling without removing the cause . . . . . Regarding economic co-operation between China and Japan, it is necessary first to better the present conditions of these two countries by restoration of normal relationship. Then reasonable and purely economic co-operation for the mutual benefit of both can follow. However, for real co-operation we must have a spirit of mutual sincerity and helpfulness without harboring ulterior motives."

Shanghai, Feb. 25, 1935.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	PUKOW	1.20	1.40
16.54	16.57	LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05	PEIPING	22.00
13.27	CHANGSINTIEN	22.48
9.54	PAOTUNG	2.23
5.50	SHIHCHIACHWANG	6.28
2.19	SHUNTEH	10.01
19.27	SINSIANG	16.45
16.43	CHENGCHOW	19.26
13.59	HSUCHOW	22.08
12.16	YENCHENG	23.51
9.58	CHUMATIEN	2.34
6.10	SINYANG	6.01
3.36	KWANGSHUI	8.36
22.45	KIANG AN	13.15
22.30	HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.30	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
23.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	—	7.58
18.14	18.16	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.	STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00	NANKING	d.	8.00	17.00	23.00	24.00
NANSIANG	d.	—	—	—	23.33	CHINKIANG	d.	9.25	18.25	1.00	1.54
KUNSHAN	d.	9.05	14.15	—	—	TANYANG	d.	10.07	19.05	1.52	2.43
SOOCHOW	d.	9.50	15.00	18.04	1.13	CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	10.41	15.51	18.55	2.13	WUSIH	d.	11.52	20.55	4.07	4.48
CHANGCHOW	d.	11.45	16.45	19.53	3.13	SOOCHOW	d.	12.47	21.50	5.13	5.52
TANYANG	d.	12.33	17.36	20.48	4.23	KUNSHAN	d.	13.26	—	—	—
CHINKIANG	d.	13.16	18.20	21.34	5.14	NANSIANG	d.	—	—	6.54	—
NANKING	a.	14.30	19.35	22.55	7.00	SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.

2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger ..... 80 kilogrammes (142 catties)
   2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.

3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.

4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

Hunan's Minerals on Display at Changsha Institute

Hunan province has long been known as the world's chief source of antimony. The province is likewise wealthy in other natural resources, including gold, coal, sulphur, zinc and manganese, as the exhibits on view at the Provincial Geological Research Institute in Changsha demonstrate. The Institute was established by General Ho Chien several years ago under the directorship of C. P. Liu. In a special report compiled by Mr. Liu and his colleague, S. Y. Kuo, it is stated that of the three gold mining enterprises in the province, but one is functioning, at Yuenlin, with a daily output of about three to four ounces. Iron production of Hunan has decreased from 35,000 tons annually to about 20,000 tons as a result of depressed market conditions. Manganese production also is hit. Although production reached as high as 30,000 tons during 1912 and 1926, it has decreased to about 10,000 tons. There are 13 different hsiens in Hunan where wealthy antimony deposits have been discovered. Tungsten production of the province amounts to about 700 tons a year. Thirty-four different firms are engaged in coal mine enterprises in Hunan with an annual output of about 1,000,000 tons. The total coal deposits are estimated at 1,109,000,000 tons.

General Ho Chien, chairman of the Hunan Provincial Government, is displaying a great deal of interest in the "buy Chinese" movement, and General Ho has appropriated from the provincial treasury, to aid it, a fund of more than $500,000. To set the example, he wears nothing but garments made of Chinese material. He buys Chinese products whenever possible. Of this sum, $300,000 is being spent on the building and maintenance of the emporium and exhibition hall. The scheme was launched in 1928, but construction was delayed, however, by the communist disturbances.

Amoy to Be Made a Municipality

The Executive Yuan has approved the proposal of the Fukien Provincial Government for the creation of a municipality for the port of Amoy.

Railway to Connect Two Important Cities in Southern Fukien

The Fukien Provincial Department of Reconstruction is making plans to build a railway to link up the two important cities of Changchow and Lungyen, in southern Fukien. At the request of the Department, the Provincial Government has asked the Ministry of Railways to despatch a deputy to Foochow to co-operate in the project.

Shanghai-Canton Direct Long Distance Telephone Service Promised by April 2

Direct long-distance telephone service between Shanghai and Canton will be made possible by April 1, it is learnt at the Ministry of Communications. Installation work was started last October under the direction of the Ministry and is making rapid progress at both ends. The total outlay for the installation, it is reported, amounts to $700,000.

Botanical Garden to Be Established in Front of Ming Tombs

The Administrative Committee of the Sun Yat-sen Mausoleum Park has decided to establish a botanical garden in front of the Ming Tombs. The expenses for laying out the garden are fixed at $30,000; expenses for upkeep, at $12,000 annually.

Shanghai City Government Loan for House Scheme Approved

The petition of the City Government of Shanghai Municipality for a loan of $1,000,000 for the Chinese bankers for the purpose of financing the construction of a series of houses for the residents in western Shanghai has been approved by the Executive Yuan.

Kiangsi Formulates Measures to Develop Porcelain Industry

Plans are being formulated by the Kiangsi Provincial Government for the development and improvement of the porcelian industry in the province, which had suffered enormously during the Communist uprisings in the past few years. The plans include the giving of financial relief to the present porcelain manufacturers and the establishment of a large-scale porcelain factory at Kiukiang.

Bridge Across River in Shantung Completed

The largest bridge in Shantung,—the iron bridge across the Yi Ho (River) along the Taierchwang-Weihsien Highway, in southeastern Shantung,—has been completed after a year's work at a cost of $180,000.

Kwangtung Prohibits Kuomintang Emblem in Trademarks

An order has been issued by the Kwangtung Provincial Government prohibiting the use of the Kuomintang emblem as a trademark.

Japanese Tourists Visit Hangchow in Large Numbers

The number of foreign tourists to Hangchow in the past year (1934) totalled 3,623 persons—1,201 of whom were Japanese.

Three Water Locks in North Kiangsu to Be Completed This Summer

Under the direction of the Huai Ho (River) Conservancy Board, work on the construction of the three large-scale water locks for shipping at Shaopo, Huaiyin and Liulaochien, northern Kiangsu, is making good progress. The locks will be completed this summer.

Express Bus Service to Be Inaugurated Between Chungking and Chengtu

The Administrative Bureau of the Chengtu-Chungking Highway is inaugurating an express omnibus service between Chengtu, the provincial capital of Szechuen, and Chungking, commercial center of the province. The journey, which covers a distance of some 400 miles, will then be made in one day for a fare of $30.

Jobless Army Officers in South China to Reclaim Waste Lands

The presence of a large number of unemployed army officers in Canton is causing considerable concern on the part of the authorities. In order to afford them relief General Chen Chi-tang, Commander of the Kwangtung Provincial Forces, has ordered them to be registered with the Canton Military Academy with the intention of dispatching them to the various garrison posts for reclamation duties.

Coal Discovered in Eastern Kiangsi

Several coal deposits are reported to have been discovered along the Chekiang-Kiangsi Railway in the districts of Hengfeng and Shangjao, both in eastern Kiangsi, near the Chekiang border.

Shantung Gold Deposits to Be Exploited

As a preliminary step towards the exploitation of rich gold deposits in the province, the Reconstruction Department of the Shantung Provincial Government has formulated plans for the opening of gold mines at Chisui, about 150 kilometers southeast of Tsinan, at an initial cost of $20,000.

Nanking Power Company to Extend Current Supply to Lungtan

With the installation of a new generator recently completed by the Siemens China Company, Shanghai, the Nanking Power Plant has decided to extend its current supply to Lungtan, 25 miles northeast of Nanking, and Chuyung, 30 miles to the southeast.

One-third of Kwangtung's Match Factories Close Down

About one third of the match factories in Kwangtung have closed down during the last year, it is learned from industrial circles in Hongkong. As a result, over 8,000 workers have been thrown out of work.

Excavation of Chinese Relics by Foreigners Is Strictly Prohibited

An identic communication was addressed to all the Provincial Governments by the Central Antiques Preservation Commission recently to the effect that excavation by foreigners in Chinese territory of ancient Chinese relics be strictly prohibited.

A meeting of the Central Committee for the Custody of Ancient Relics was held in Nanking Feb. 14 to examine the draft Regulations governing archaeological excavations, transportation of ancient relics abroad, and registration of ancient relics. It was decided to submit these regulations immediately to the Executive Yuan for approval.

Ministries Urge That Government Bonds Be Accepted as Deposits

That Government Bonds and Treasury Notes be accepted as security by the law courts, is urged by the Shanghai City Chamber of Commerce in a petition to the Ministries of Finance and Judicial Administration. The petition points out that according to the regulations governing the issue of Government bonds or Treasury notes, it is generally provided that such bonds or notes may be used as security for any public purposes. This provision is, however, frequently ignored by the Shanghai District Court and the Shanghai 1st Special District Court, which have repeatedly refused to accept Government bonds and Treasury notes offered by litigants when security is called for.

Double-Tracking of Southern Section of Canton-Hankow Railway Planned

The Canton-Hankow Railway Administration for the Southern Section is negotiating a loan of $2,000,000 from the Bank of China for the double-tracking of the Section. The Administration has dispatched an official from Canton to Nanking to petition the Ministry of Railways for approval of the plan.

Native Goods Exhibiton to Be Held in Hangchow Next Month

A large scale native goods exhibition, organized under the auspices of the Hangchow Municipal Government, will be held in Hangchow from April first next.

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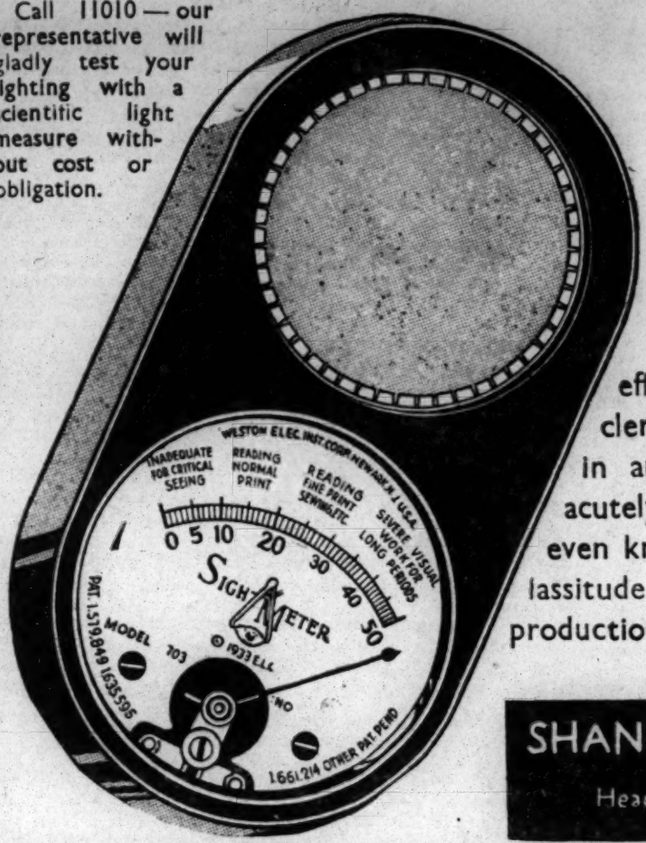

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Japanese Foreign Office Studies Abolition of Extrality in Manchuria

A recent message from Tokyo stated that the Japanese Foreign Office will begin to study the question of the abolition of extraterritoriality in China as soon as this question is solved n Manchukuo. The Foreign Office and its committee on Extraterritoriality in Manchukuo are now busy studying the ways of relinquishing the consular jurisdiction in the new State. It is understood from circles close to the Foreign Ministry that the first issues to be considered will be the transfer of taxing power and the right to control industry to the Manchukuo authorities. These will be conditional on the readjustment and unification of the Manchurian system of taxation. When the first steps are accomplished, these sources state, the Foreign Office will consider the abandonment of special rights in the South Manchuria Railway zone and the question of consular police. The abolition of consular jurisdiction will be the last step in the gradual relinquishment of extraterritorial rights, and will depend on the progress made in the reform of the Manchukuo judicial system, according to the observers. The Committee on Extraterritoriality was set up by Mr. Hirota, Foreign Minister, on Feb. 13, and is working in conjunction with the Kwantung Army, the South Manchuria Railway Company and the Manchukuo Government.

Manchukuo Preparing Codes for Proposed Extrality Abolition

The drafting of civil, criminal, commercial, civil procedure and criminal procedure codes, which have been under way since the fall of 1934, will be completed in periods varying from one to three years, high Manchukuo Justice officials announced in Changchun Feb. 23.

Grand Duke Cyril "Recognizes" Manchukuo

A recent Paris message stated that Grand Duke Cyril, pretender to the Russian Czarist throne, joined Japan and El Salvador in official recognition of Manchukuo on Feb. 21. The Grand Duke announced that he would immediately send another Grand Duke to become Russian Czarist Ambassador to the Manchukuo Empire. The purpose of this recognition, Grand Duke Cyril explained, was to promote good relations between White Russians and Manchukuo and Japanese authorities.

Japanese Consuls Meet at Changchun to Discuss Extrality

Abolition of extraterritoriality in Manchukuo was the main topic of discussion at a meeting of Japanese Consuls stationed in Manchuria held at the Japanese Embassy in Changchun Feb. 29.

Most of Money Swindled from Bank of Manchou Is Recovered

The Manchurian police recently recovere $398,000 out of a total of $400,000 swindled from the Chinchow branch of the Bank of Manchou on October 17 last year by two young Manchu men. They secured the $400,000 in cash by means of a forged order. The chief culprit was one Lien Yao-shuen, an employee of the Bank of Manchou at Peichuan, where he was arrested. $2000 of the money had been taken to Peiping by his accomplice.

⁂

Manchukuo Bandits Kill Ten Police in Ambush Near Antung

A force of 37 Manchukuo police of the Fengcheng provincial constabulary was attacked by more than 200 bandits at a point one mile south of Paiki Feb. 17. Ten members of the force were killed and the rest disarmed. The police force at the time of the attack was escorting two truckloads of bandits who had been captured at Hungki, to Antung. The bandits were apparently lying in ambush along the route. The incident followed a similar but unsuccessful attack the same morning on a bus operated by the Manchukuo Railway Bureau between Takushan and Antung.

Bandits Destroy Village on Korean Border

A group of 200 bandits under Li Kiang-kuan crossed the Yalu River into Korean territory near Tongsin, North Pyeng-an Province, early Feb. 1, but were later driven away by Japanese troops. The fighting lasted for three hours. The invaders completely destroyed a village by fire. In the exchange of fire one Japanese and two Korean women were killed, while one Japanese and a Korean is missing.

Bodies of Fifty-two Japanese Officers and Men Killed in Manchukuo Taken to Japan

The remains of the late Captain Kobayashi and Corporal Kogo, who were killed in the Russo-Japanese War 30 years ago, but whose remains were found only recently, and also of 52 officers

and soldiers, who were killed in Manchuria in January, arrived in Kobe Feb. 21 aboard the *Ural-maru*.

Nineteen Bus Passengers Carried Off by Bandits

Nineteen bus passengers, including six young women, were carried off by a band of 20 bandits near Penhsihu, southeast of Mukden Feb. 23.

Japanese Soldier Killed by Bandits in Sinkiang

A Mukden dispatch dated Feb. 16 stated that one Japanese soldier was killed in action in the vicinity of Chih-an in Sinkiang Province when a detachment under the command of Captain Noda encountered a force of armed bandits. A severe battle ensued, in which the bandits, who sustained heavy losses, were routed.

Bandits Driven Away from Erhtachiotze Station on C.E.R. Eastern Line

Traffic on the eastern section of the Chinese Eastern Railway was restored to normal Feb. 15 as the result of the recapture of Erhtachiotze station by the Manchukuoan troops from the armed bandits, who had occupied the station temporarily.

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Participants in Yen 500,000 "Bribe" Money Reiterate the Money Was for Beans

Kazufumi Tsuruoka, one of the leading figures in the alleged Yen 500,000 "bribe case," informed the Tokyo press Feb. 20 that he received the amount from Marshal Chang Hsueh-liang in Mukden in 1929; he denied that Mr. Tokonami, Minister of Communications, had any connection with money. Mr. Akatsuka, former Consul General at Mukden, according to the *Asahi*, declared that he obtained the Yen 500,000 from Marshal Chang for Mr. Tsuruoka's projected soya bean business. Mr. Akatsuka declared that he saw nothing strange in Marshal Chang's advancement of the funds.

***

Lord Barnby's Wool Firm Goes Into Liquidation

The great Bradford wool firm, Messrs. Francis Wille and Co., Ltd., of which Lord Barnby is chairman, announced at a meeting of creditors in London Feb. 21 that the company had passed a resolution for voluntary liquidation and that liquidators had been appointed. The step taken was declared to be the only way of protecting the interests of all concerned, and the hope was expressed that it would lead to a basis for reconstruction.

Lord Barnby was the head of the recent British industrial mission to Manchuria. The *Japan Chronicle*, with its usual cynicism, headed the news of the liquidation, "Another Barnby Report."

Soviets Asks Japan to Pay G. Rls. 18,000,000 for Troop Transportation

Negotiations between the Soviet and Japanese authorities for the sale of the Chinese Eastern Railway, have been halted by the Soviet authorities making demands to the Japanese authorities for the payment of a bill amounting to 18,000,000 gold roubles for the transportation of Japanese troops along the line during the past three years.

China Will Protest C.E.R. Transfer to Japan

The Tokyo *Jiji* of Feb. 20 quoted its Shanghai correspondent as saying that Dr. W. W. Yen, on the eve of his departure from Shanghai to Russia, said, "The Chinese Government is determined to file a protest with the Soviet Government and also the Japanese Government against the transfer of the Chinese Eastern Railway after the deal has been formally signed between Mauchukuo and Soviet Russia. At the same time the Chinese Government is decided to issue a statement to the world declaring non-recognition and invalidity of the railway transfer." A recent message from Tokyo stated that the Chinese protest was not likely to have any effect.

Czechoslovakian Dentist Accused of Gold Bar Theft

When Dr. Vladimir Heger, 34-year-old Czechoslovakian who was deported from Japan as an "undesirable alien," arrived in Shanghai last week, he was charged in the Chinese courts with stealing about $7,390 worth of gold and coins from F. Heister, a German residing in the Embankment Building. The accused denied any knowledge of the theft, but admitted that he left Shanghai on January 10 accompanied by the complainant's wife and her daughter. During the course of the trial of Dr. Heger, who is a graduate of the Prague dental college, intimations were given that be was the head of a "white slave" organization operating in the Far East. It was disclosed that on January 10, the Municipal Police were informed by Mr. Heister that about $8,000 worth of gold bars and coins had been stolen from him at 612 Embankment Building. At that time he suspected his wife.

Japan to Soviets: "Settle Outstanding Issues First!"

The settlement of the outstanding issues between Soviet Russia and Japan should precede the conclusion of a non-aggression pact, Mr. Hirota, Foreign Minister, stated in the House of Peers Feb. 21. When all issues are solved, Mr. Hirota said, the non-aggression question will solve itself "automatically."

Soviet Officials Refuse Passports to Japanese Officials Who Wished to Attend Fishery Auction

The auction of the Soviet fishery grounds for 1935 was announced to be held by the Vladivostok Fishery Bureau on Feb. 27. Shinobu Ariga, head of the enterprise section and director of the Nichiro Fishery Company; Motohiko Nakagawa, of the same company, and Kiyoshi Maeda of the Association for Marine Products in Soviet waters, proceeded to Vladivostok to attend the auction. Two representatives of the Japanese Ministry of Agriculture and Forestry were refused passports to attend the auction by the Soviet authorities.

Soviets Ship Gold to London—A Result of Failure of U.S. Negotiations

Great Britain is to benefit from the breakdown of the recent negotiations between the Soviet Union and the United States for a settlement of Russia's debts to America. It was announced in London, Feb. 23, that the Soviet Government has decided to ship gold to London for the settlement of her trade debts to Great Britain, instead of to the United States, as in the past. This, it is stated, is a direct consequence of the breakdown in the debt negotiations between Russia and America.

Soviets Buy Equipment in Pittsburgh to Complete Big Steel Mill

Soviet Russia Feb. 26 ordered $3,000,000 worth of machinery in Pittsburgh to complete the eletrically-driven steel rolling mill built 15 months ago at Zaporojstal.

Soviets Accused of Playing Both Ends Against the Middle

A recent Washington message gives some sidelights on why the proposed U. S. Soviet negotiations in Washington broke down. Secretary of State Hull is quoted as believing that the U.S.S.R. played both ends against the middle in the negotiations in which she refused to settle American debts and claims when Moscow found there would be no cash loans forthcoming. The Soviet Union, it is reported, sought cash to the amount of $100,000,000, and, at the same time, used the purported prospects of such a loan to obtain large credits in Europe. They then sought credits in the United States on even more favourable terms than those obtained in Europe.

This attitude on the part of Moscow, it was learned, led to Mr. Hull's action in precipitately breaking off negotiations after only five minutes conversation with M. Troyanovsky, the Soviet Ambassador, following which he announced that he expects little trade with Russia—at least, not with the support of United States Government financing.

Red Radio Chief in Custody; Suspected of Having Formed "Trotskyist" Group

Superintendent Rafalski, director of the Chernigov broadcasting station, has been dismissed at the instigation of the Communist Party investigation committee. Rafalski is reported to have formed a secret "Trotskyist" group in the radio administration and, in repeatedly broadcasting programs, which were directed attacks against the Communist Party and the Soviet Government.

Soviet Officer Is Imprisoned for Forcing Restaurant Staff to Eat Cockroach Soup

Serge Sosnin, secretary of the Communist Party Committee at Issakogoarsk, was sentenced to three years imprisonment in Moscow last week because he, as a punishment for uncleanliness in a railway restaurant, had compelled several men under his jurisdiction to eat a plateful of cockroach soup.

Soviet Ship Icebound Near Kamchatka

The Soviet ship *Smolensk* was reported stranded in heavy ice and drifting near Voyampolka (Kamchatka) in a westernly direction, end of last week. The icebreaker *Krassin*, now in the Okotsk sea, went to *Smolensk's* assistance.

Soviets Find Oil in the Arctic Regions

A Soviet prospecting expedition has spent a long time at the Nordvik Cape studying oil deposits in the area of the River Rhatanga (about 75° N. 110°E. in the Arctic zone). Oil has been found in these regions. Numerous outlets of liquid oil running out into the sea were discovered along the north-western and eastern shores of Nordvik Bay.

Shark Fins Banned from Dishes

With a view to encouraging the people to practice economy in their daily expenses during the present period of national crisis, shark fins, abalone and other imported costly food stuffs have been prohibited to be included in their menu, according to a recent order of the Nanking Municipal Government. This step is designed also to promote the use of the native products, it is stated.

Soviets Say They Are Strongest Air Power in the World

The Chief of Staff of the Soviet Union aviation forces, Comrade Chrispin, in the course of a long broadcast address to the air troops, Feb. 23, declared that in the last few years the Soviet Government had performed immensely valuable work in building up aviation. In the last three years the number of airplanes has increased by 330 per cent, the lifting power of the planes has been doubled and the speed of the bombing and pursuit planes has been tripled. Unfortunately, the uncertain foreign situation had compelled the Soviet Government to create an air fleet strong enough to protect the frontiers of the Soviet Union, he said.

"In our opinion," declared Chrispin, "we are the strongest air power in the world at present, but we intend to increase and strengthen this power still further."

Air Photos Prohibited by Order of Communications Ministry

In connection with the petition of the Eurasia Aviation Corporation inquiring whether it is permissible for passengers on the planes of the Company to carry with them cameras and take pictures of landscapes from the air, the Ministry of Communications has issued an order to the Company, refusing to grant such permission.

Manchukuo to Propose Air Mail Connection to U.S.S.R.

The Manchuria Air Transport Company will soon approach the Soviet air authorities with a plan for connecting their respective lines. The Manchukuo company officials will suggest that the Soviets create a spur line branching out at Chita from the existing Moscow-Vladivostok route to reach Dauria, near the Manchukuo border. The Manchukuo mail planes now flying as far as Manchuli would take outgoing mail to Dauria, while incoming mail would be transported as far as Manchuli by Soviet craft.

Japan to Spend Two Hundred Million Yen to Expand Civic Air Service

An ambitious scheme for the expansion of the existing civil air facilities of the Japanese Empire within the next few years at a cost of Yen 200,000,000 was disclosed in the Japanese House of Peers Feb. 18 by Takejiro Tokonami, Minister of Communications. The most important air route extensions planned by the Ministry would, according to Mr. Tokonami, link Japan with Singapore, Kamchatka, Saghalien and the Palau Islands in the South Seas, held by Japan under a mandate from the League of Nations.

The plans provide for the following lines: 1. Tokyo to Saghalien via Sapporo in north Japan; 2. Hokkaido, in north Japan, to Kamchatka; 3. The extension of the line between Fukuoka and Formosa, which will be inaugurated next January, to Singapore; 4. Osaka to north Korea via Matsue; 5. Tokyo to Palau in the South Seas via the Hachijyojima and Ogasawara islands; 6. A number of local lines around Osaka and Tokyo; 7. Local lines in the Chugoku and Kyushu districts.

Wiley Post Makes Five Miles a Minute Five Miles Above Ground—Fails in Stratosphere Attempt

Captain Wiley Post at Los Angeles, Feb. 18 sped five miles a minute through the air some five miles above the ground in a final test of his airplane *Winnie Mae*, before attempting his proposed stratosphere flight across the continent. Captain Post's stratosphere attempt Feb. 22 failed. He was forced down 100 miles from his starting point by a broken oil line.

Leland S. Andrews Shatters Major Doolittle's Trans-Continental Record

The American air record was smashed Feb. 21 when Leland S. Andrews, a former U.S. Army officer, flew across the United States in a big transport plane in 11 hours and 34 minutes. The former transport record between Los Angeles and New York, held by Major Jimmy Doolittle, was 11 hours and 59 minutes, 25 minutes more than the time made by Mr. Andrews.

U.S. Navy Secretary Swanson Opposes Dirigibles

As a sequel to the destruction of the dirigible *Macon*, Secretary of the Navy Claude A. Swanson, announced Feb. 20 that he would oppose further construction of airships for the United States Navy. Dirigibles might be useful for commercial purposes, he added, but they were not suitable for military use. The *Macon*, built at a cost of U.S.$2,450,000, crashed into the sea 110 miles south of San Francisco on February 12 and sank.

Eurasia Airplane Forced Down in Mountains on Hunan-Kwangtung Border

A southbound plane of the Eurasia Aviation Corporation suffered damage in a forced landing in mountainous country near the Hunan-Kwangtung border end of last week. Pilot Kahlenberg had a leg broken. A relief plane reached the scene of the mishap promptly and returned to Hankow with Mr. Kahlenberg and the co-pilot. There were no passengers. The accident occurred 50 kilometers from Chengchow, Hunan, where the relief craft spent the night after flying from Hankow upon learning of the trouble. The injuries to Mr. Kahlenberg resulted in his death at Hankow several days later. The plane, after minor repairs had been made, proceeded to Canton.

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Two Corsair Planes Being Fitted for Yangtsze Work

Two of the National Government's Vought Corsair fighting planes have been equipped with pontoons instead of the regular land-wheel equipment, this being taken as indication that Gen. Chiang Kai-shek intends to use them in anti-Communist drive along the upper Yangtsze.

Seven Bombers Forced Down During Snowstorm in Scotland

Seven bombing planes of the Auxiliary Air Force stationed at Edinburgh and Glasgow, were forced down in a blinding snowstorm Feb. 24. Two airmen sustained minor injuries and three of the planes were severely damaged. One of the machines crashed and bounced into a hay rick, while the others turned somersault and buried their noses in the fields.

Two Daughters of U.S. Consul General at Naples Leap to Death from Airplane

The two daughters (ages 20 and 23) of Coert du Bois, American Consul General at Naples, committed suicide by jumping from an airplane in England Feb. 21 while *enroute* to Paris. Their act is attributed to the fact that both had lost their fiances in a plane crash the week previously.

U. S. War Appropriation Totals U. S. $378,699,488

Continuing development of the Administration's huge national defense program, the U. S. House Appropriations Committee Feb. 19 reported one of the largest War Department appropriation bills in history. The measure, as reported by the committee, carries a total of U.S.$378,699,488. Provision is included for the purchase of 417 new airplanes for the Army. That further large appropriations for this wing of the Army are to be expected was indicated when Representative John J. McSwain, chairman of the House Military Affairs Committee, recommended a 5-year aircraft construction program. Representative McSwain, following a visit to the White House, said his recommendations would call for building 4000 new planes for the Army and 2200 new Navy planes over the five-year period. The new War Department Supply Bill also calls for strengthening the National Guard and also for increasing the personnel of the regular Army from 128,750 to 165,000.

New War Appropriation Provides for U.S. Army Increase

The United States Army may be increased in strength by 36,250 men under the terms of the War Department Appropriation adopted by Congress and signed by President Roosevelt Feb. 22. In passing the measure, the House of Representatives killed an amendment which called for the mandatory addition of 11,000 men.

U. S. Congress Urges Counter-Spy System to Circumvent Japanese

A vast world-wide counter espionage system would be established by the United States under a program submitted to Congress by John F. Dockweiler, Representative from California, Feb. 20. Charges that Japanese spies, disguised as fishermen, familiarized themselves with activities of the U.S. Fleet during Pacific maneuvers were made by the California Congressman, who urged that special appropriations should be added to the U.S. Army budget to provide for counter espionage. Should trouble develop between the United States and Japan, Mr. Dockweiler argued, Japan already has a small army on California ground which could take up arms against America immediately. To meet this danger, he said, America should strengthen her west coast defences to a marked degree.

There has been agitation in certain official quarters in Washington for some time for the re-opening of the nation's former "Black Chamber," a secret room in which diplomatic codes and messages were figured out for the information of U.S. State Department attaches.

Britain and United States Disagree on Method of Controlling Arms Manufacture

Important divergencies have arisen between the British and American points of view regarding League control of the trade in and the manufacture of armaments, now being discussed by the Committee of the Disarmament Conference at Geneva. The chief difficulty concerns the American proposals for the establishment of a permanent committee by the League of Nations to control the arms traffic. Both Great Britain and Italy consider that the American proposals are too far-reaching.

Paraguay Is Branded an Outlaw Nation

Paraguay was branded at Geneva, Feb. 26 an outlaw country because of her insistence in carrying on a "comic opera" war. The Paraguayan Minister in Washington recently stated that in case an embargo is imposed on arms exports to Paraguay, the latter could import munitions from Japan.

Manchukuo Appears as a Naval Power in London Year Book

Manchukuo has blossomed forth as a Naval Power, according to the latest edition of *Jane's Fighting Ships*, an authoritative year book published in London. Manchukuo is included in the annual for the first time, though apparently little information is available. Jane's credit Manchukuo with one cruiser "transferred from the Japanese Navy," with "several" destroyers, transferred and building, with 12 gun-boats and eight patrol boats, with four others building at Kobe and Yokohama. This small force, a *New York Times* review points out, has no great naval significance in itself though it may form the nucleus of a much larger fleet—but its importance lies in the manner in which it is being built up with the assistance of Japan. That country, whose naval building is limited until the end of 1936 by the 5:5:3 ratio of the naval treaties, is apparently helping to build up a fleet which does not come within treaty provisions, but which certainly would be of assistance to Japan in case of war.

⁂

Straits Settlements Contribute $500,000 Towards Cost of Imperial Defence

The Legislative Council of the Straits Settlements Feb. 21 unanimously voted a gift of $500,000 to the British Government towards the cost of Imperial defence. This follows upon the gift of a similar sum a year ago. Both gifts are voluntary contributions towards the general cost of the defence of the Empire and are over and above the compulsory contribution of £400,000 a year, for which the Colony is liable in respect of the regular army garrison at Singapore and the cost of the upkeep of the volunteer forces in the Colony.

Singapore Base Construction Supported by the Straits Governor

Sir Shenton Thomas, Governor of the Straits Settlements, in a speech Feb. 20 at Singapore declared that people in that quarter of the world would be able to live in peace as a result of the construction of the Singapore base. It should be completed with the maximum of efficiency, he added, and, as long as he had any influence in the matter, it would.

⁂

Britain to Make Enquiry Into Arms Traffic

Following the example of the United States, an exhaustive inquiry into the private manufacture of and trading in arms is to be conducted by Great Britain. The first step towards such action was taken Feb. 18, when Prime Minister MacDonald announced in the House of Commons that the composition of the Royal Commission of Enquiry had been completed. The terms of reference are: 1. To consider and report upon the practicability and desirability, both from the national and international point of view, of the adoption: (a) by the United Kingdom alone, and (b) by the United Kingdom in conjunction with other countries of the world, of the prohibition of private manufacture of and trade in arms and munitions of war and the institution of a state monoply of such manufacture and trade; 2. To consider and report whether there are any steps which can usefully be taken to remove or minimize the kinds of objections to which private manufacture is stated in Article VIII of the Covenant of the League of Nations to be open; 3; To examine the present arrangements in force in the United Kingdom relative to the control of the export trade in arms and munitions of war, and to report whether these arrangements require revision, and if so, in what direction.

Soviet Envoy Says Failure of Eastern Pact May Start New World War

Frustration of the eastern European pact "may pave the road to a new world war," was the sharp warning issued by M. Maiski, Soviet Russia's Ambassador in London, Feb. 19 during the hourse of a speech delivered before the League of Nations Union. M. Maiski insisted that the conclusion of a western European aerial alliance fails to assure peace on the Continent as long as the Eastern Pact has not been concluded.

Communists in Shensi Capture British Missionary

News was received in Shanghai early this week of the capture by Communists an Ningkiang, in southwestern Shensi, of S. C. Frencham, a member of the China Inland Mission stationed in that city. The band who carried off Mr. Frencham are under the command of Hsu Hsiang-chien, the Communist leader of the Reds who occupied a large section in north-eastern Szechuen, with headquarters at Pachow, and who were only recently driven out of that province into Shensi.

Owing to the influx of Communists into South Shensi, five British missionaries in that region have taken refuge in Fengchiang.

Chinese Cotton Mill Sold at Auction to Japanese for $2,250,000

Mill No. 7 of the Sung Sing Cotton Spinning and Weaving Co. was sold at auction Feb. 26 by L. Moore & Co. to Japanese interests at the price of $2,250,000. For about a week previous, large advertisements in the Shanghai daily newspapers announced that the property, covering an area of 69 mow, lying in the Yangtszepoo district, and registered at the British Consulate, would be sold and that no bid for less than $2,250,000 would be considered. The auction was held on instructions from the first mortagees, the Hongkong & Shanghai Banking Corporation, who had lent two million dollars to the concern, which is mostly owned by Yung Tsung-ching, frequently referred to as China's cotton king. The announcement of the auction caused great consternation in Chinese official and business circles and protests were sent to Nanking by the Shanghai City Chamber of Commerce and the Shanghai Civic Association. The steps taken to forestall the auction included an application to the Chinese Courts in the Foreign Settlement by the Bank of China and the Shanghai Commercial and Savings Bank, who claimed an indebted of $2,800,000, and thereupon the Court issed an attachment and issued a sealing order, which was posted at the mill and notice of which was given in the daily newspapers. However, the auction proceeded as advertised and the auctioneers announced that they had a bid for something less than the upset price. Thereupon O. Okamoto, representing Japanese cotton mill interests, bid the advertised minimun price and the property was shortly afterwards knocked down to him.

A half-hour after the auction, a reply to the petition sent to Nanking was received in Shanghai, stating that Wang Ching-wei would instruct Mayor Wu Te-chen to negotiate with the mortgagees to stay the auction. The telegram, however, came too late. Interviewed by press representatives before the auction, Yung Tsung-ching said that No. 7 Mill cost $5,000,000, though it was mortgaged to the Hongkong & Shanghai Bank for $2,000,000. Owing to the trade depression, Nos. 2 and 5 Mills had to be closed. The concern, he said, was paying the Government consolidated tax, amounting to more than $20,000 per day. The closure of the two mills will deprive the Government of $180,000 per month in taxes. In view of the huge amount of tax the concern is paying, he expressed the hope that the Government will provide adequate relief.

While the auction was in progress, the idle employees of the No. 2 and 5 mills, made demonstrations, which brought out the police. The operatives have formed an appeal group to ask for assistance from the Chinese authorities. About 50 reprepentatives proceeded by trucks to the Bureau of Social Affairs of the City Government on Monday afternoon and requested the officials to urge the management to re-open its mills and give them relief. The Sung Sing has nine mills, No. 3 being in Wusih and No. 4 in Hankow. A total of 204,000 operatives are employed in the seven mills in Shanghai. Of this number, 7,500 hands are in the No. 1 and 8 mills in Tsaokadoo, 3,400 in No. 6, 22 Seoul Road, 2,600 in No. 7, 468 Yangtszepoo Road, and 2,200 in No. 9, 140 Macao Road. There are stated to be about half a million Chinese unemployed in Shanghai at the present time.

Chinese Are Aroused Over Sale

The auction sale of the mill has aroused great consternation in Chinese circles. Lin Yin-shu, director of the Department of Industry, declared in an interview that the deal is invalid in Chinese law and that measures are being taken to prevent it being concluded. The Chinese attitude is that the Hongkong Bank had no right to take "direct action." One of the results of the Bank's foreclosure is the inauguration of an intense movement by the Chinese to withdraw funds from and cease transactions with all foreign banks. The Chinese press generally reflected the general Chinese consternation. The *Chen Pao* said the sale was a prompt warning of the downfall of Chinese industry. The *China Times* said it considered the Hongkong Bank's procedure harmful for the outlook of foreign investments in China.

China Protests on Proposed Excise Tax on Eggs in United States

Dr. Alfred Sze, China's Minister to the United States, lodged a protest with the U. S. Government, Feb. 23 against the proposed excise tax on eggs which has been introduced into the House. Dr. Sze's protest was made on the grounds that such a tax would be discriminatory against China, which is practically the only country from which the United States imports eggs.

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Soviet Analysis of Conditions in Manchuria

(*Moscow Daily News, December* 9, 1934)

Economically, Manchuria has become an appendage to Japanese imperialism. Industry, trade and transport are rapidly being denationalized. Chinese capital, which was never invested to any great extent in Manchurian industry, has been almost completely squeezed out of the spheres of trade, transport, mining, and so on.

Under the unbearable tariff pressure from the Japanese-owned railroads, the Chinese mines in Fushan, Shinga, and other places, are doomed to bankruptcy. The metallurgical industry is almost completely in the hands of the Japanese. The gold mines have also been seized by the invaders. The South Manchuria Railroad Co., by "agreement" of March 1, 1933, has been "given" complete and sole control of all the railroad lines in Manchuria. The Japanese have seized the banks of the three Eastern provinces and have created the Central Bank of Manchukuo. Chinese currency has been abolished.

Internal trade in the territory of Manchukuo is suffering the same fate Hundreds of Chinese and dozens of foreign shops are officially reported closed and their places taken by Japanese traders. The foreign trade of Manchuria has also undergone far-reaching changes. Manchuria's export trade with China proper has been cut in half; her trade with Europe and the U.S.A. has also dropped considerably. On the other hand, Japan's share in Manchukuo's foreign trade rose from 35 per cent in 1930 to over 50 per cent in 1933. "European and American firms handling merchandise or rendering services which are competitive with the Japanese in Manchuria, have either abandoned the field or suffered losses. The British Canadian and American governments have closed their commercial offices in Manchuria."

In the sphere of agriculture there is a steady process of degradation. Feudal land conditions and pauperization of the peasant masses were prevalent enough before the Japanese occupation.

Incessant Punitive Expeditions

With the coming of the Japanese there has been added the direct seizure of the best lands by the Japanese invaders, and the driving of new hordes of peasants into so-called "banditry." Incessant punitive expeditions are the order of the day.

The area sown in 1932 was 30 per cent less than in 1930. In 1933 the recession continued. The world economic crisis has hit Manchurian agriculture and the soy bean with particular severity. Forced unpaid labor for military purposes; the seizure of the best lands, homes, and cattle, unbearable taxes and tributes (the tax on salt accounts for 15 per cent of Manchukuo's revenue); the complete abolition of the most elementary political rights; the mass sale of children by their peasant parents who are driven to despair—such is the lot of the main mass of Manchurian peasants and laborers.

Half of the Chinese workers in Manchuria are unemployed. Over 400,000 students and pupils have been forced to leave school. The Japanese themselves report about nine million opium addicts (30 per cent of the entire population), who bring into the Japanese coffers many million yen annually.

In the sphere of militarization and the preparation of Manchuria as a base for further expansion, and particularly with a view to anti-Soviet military adventures, the Japanese have considerable achievements to show. More than 1,000 km. of new railroad, important as strategic lines in case of war against the U.S.S.R., have been built by the Japanese in Manchuria since the occupation in 1931. The military port of Rashin has been partly completed.

Northern Korea has been linked by rail with Northern Manchuria. Dozens of military airdromes have sprung up along the Manchurian-Soviet borders. New railroad lines are being built which are obviously directed against the Mongolian Peoples Republic and the Soviet Far East.

Great Partisan Activity

But Japanese imperialism is not having smooth sailing. Manchuria is literally studded with armed and growing partisan units which are fighting the Japanese army in dozens of places at once. The eastern section of Mukden Province is literally a beehive of Chinese and Korean partisan activity; the Kando district which borders on the U.S.S.R. and Korea is very actively fighting the Japanese invaders; in the Shilin district the Japanese report 20,000 armed peasant partisans; in the lower Sungari district there are about 30,000 armed partisans.

It is generally established that there are in Manchuria today no less than 200,000 partisans fighting the Japanese.

The *New York Times* reported that Japan has had to undertake several thousand punitive expeditions against peasant partisans since seizing Manchuria in 1931.

Of outstanding interest in connection with the partisan movement is the development in the Kando district which comprises three counties or hsiens in southern Kirin province which adjoin Soviet, Korean and Manchukuo territory. The territory is of great strategic importance because of its location and also because of the fact that the new Japanese railway connecting this section of Manchuria with northeastern Korea traverses this area. The new Japanese port of Rashin where Japan plans to land troops in the event of a war with the Soviet Union is just south of this district. By use of this port and the new railway (Kirin-Kainei line), the Japanese military authorities hope to be able to rush troops from the Tokyo section of Japan to the Manchukuo capital, Hsinking, in about 44 hours.

Apparently in expectation of a conflict in the not-distant future, the Chinese and Korean partisans in this Kando and adjoining Chientao areas have organized a "soviet" form of government, reports of which have appeared in the leading Chinese newspapers.

Should a U.S.S.R.-Japanese war become a reality, the Kando and Chientao soviets would be a serious obstacle to Japan's advance. Even if the closeness of the Rashin port to Posyeta Bay and Vladivostok were not to control Japan's strategy and fate in the Japan Sea, theKando and Chientao soviets could obstruct Japan's steps with comparative ease through their influence over the Kirin-Kainei line workers and over the workers and peasants in the Posyeta-Rashin-Tunhwa triangle. Even if such proposed subsidiary lines of the Kirin-Kainei railway as the Tumen-Ilan line, which would connect the Kirin-Kainei with the Chinese Eastern and extend to the Sungari River, had been completed; even if all the proposed railways with an aggregate length of 15,000 miles and highways of 35,000 miles had been built, the resistance which must certainly be expected to materialize in and around the regions of Kando and Chientao and north Korea, might virtually paralyze Japan's most carefully laid plans for further military aggression.

Manchuria's fate and prospects can be considered only as an integral part of the border problem of China's struggle for independence and national unity. On the other hand Manchuria presents a concrete problem in the fight for peace and against instigators of war.

Chinese Art Exhibition Opened in London

The exhibition of modern Chinese paintings, organized by the China Association and the China Society, opened in London, Feb. 21. The exposition includes 230 pictures selected from among the most remarkable and most characteristic of the present tendencies of Chinese art.

The catalogue contains a preface by Quo Tai-chi, Chinese Minister to London, as well as an historical review from the pen of Prof. Liu Hai-su, director of Shanghai College of Fine Arts. The exhibition, was opened by Mme. Quo Tai-chi. The Chinese Minister, addressing the guests, declared that the collection showed that, amidst China's revolutionary changes, the fine artistic tradition of many centuries had been sustained and preserved. "The creative process of art," he declared, "continues to flourish, just as the creative energy of the Chinese people manifests itselt in all aspects of national and individual life. If, by a sympathetic appreciation of these paintings our English friends find the key to the deeper understanding of the feelings and thoughts of the Chinese people, the organizers of the exhibition will feel themselves amply rewarded."

Celebrated London Art Collector Enroute to Shanghai

George Eumorfopoulos, a celebrated London art collector, is now on his way to China, to inspect and appraise China's art objects from the Peiping Museum, now stored in Shanghai, and also to select the exhibits for the Exposition of Chinese Art to be held in Burlington House, London, next November. Mr. Eumorfoplos is 72 years of age and is of Greek extraction, but a British subject born in Liverpool. Until his retirement last August he was vice president of Ralli Brothers, Ltd., private bankers and exporters of rape seed, rice, cotton, and hemp from India. The Rallis are of Greek origin also. Mr. Eumorfopoulos began seriously to collect Oriental art about 30 years ago. Unlike most rich men he employs no dealers, hires no experts, and does all his own buying of art objects. He enjoys showing his treasures to strangers. He is sometimes to be seen carrying his art treasures in an old hand-bag, some of them worth $50,000 each. There never was a burglary at his home in Chelsea; Mr. Eumorfopoulos says all his art objects are too well known to experts to be of any value to the underworld. *Time Magazine* says that because Mr. Eumorfopoulos' funds had lately been running a little low, he arranged with the Victoria & Albert and British Museums to buy some of his art collection for half a million dollars. But even at that the Museums got a rare bargain.

Sir P. David and B. Raphael, British archeologists, arrived in Shanghai this week to complete arrangements with Chinese authorities fnr shipment of Chinese art samples to London.

American Economic Mission Due in Shanghai April 22

The American Economic Mission, headed by Cameron Forbes, which is sailing from San Francisco on the *s.s. President Coolidge*, March 22, is due to arrive in Japan April 5. The Mission expects to remain in Japan until April 19, arriving in Shanghai April 22. In China, the group will spread fanwise for a comprehensive study of the whole Chinese trade situation and a tour of the Chinese interior.

Nanking Reported to Be Taking Steps to Revise Commercial Treaties

In view of the expiration of the Sino-American, Sino-British, Sino-French and Sino-Japanese Commercial Treaties, it is understood that the Ministry of Foreign Affairs has initiated negotiations with the several countries concerned for the conclusion of new treaties based upon the principle of equality and reciprocity. The *Chikiai* news agency said the recent visit of the American Minister, Nelson T. Johnson, to Nanking, was mainly concerned with this question. It is said that in accordance with the Porter Resolution in 1927, the United States Government has consented to relinquish its special privileges in China by stages and is prepared to enter into a new treaty on the basis of reciprocity'

In connection with the Sino-French Annam Commercial Treaty, as a result of the recent negotiations between the Ministry of Foreign Affairs and M. Wilden, the French Minister to China, it is said complete agreement has been reached regarding the general principles of the treaty, which is expected to be signed in the near future.

Negotiations for the revision of the now expired Sino-British Commercial Treaty are also under way. The forthcoming visit of Sir Alexander Cadogan, the British Minister to Nanking in April is said to be for the purpose of discussing the preliminaries with the Chinese Government for the conclusion of a new treaty.

Tang Yu-jen, Vice-Minister of Foreign affairs, in an interview at Nanking Jan. 26 stated, however, that there were no new developments in negotiations for the abolition of consular jurisdiction of foreign powers in China.

American Minister Banquetted by Wang Ching-wei

Nelson T. Johnson, the American Minister, made a formal call on Wang Ching-wei, President of the Exective Yuan and concurrently Minister of Foreign Affairs, in Nanking Feb 27. This was the first interview between them since Mr. Johnson's recent return from the United States. A banquet in honor of Mr. Johnson was given in the evening by Mr. Wang. Mr. Johnson has in the meantime returned to Peiping.

Hunan Bandits Still Hold Two Missionaries

News of an indirect nature, the first for some time, has reached Peiping from Changsha concerning the captured missionaries Bosshardt and Hayman. These two were captured by bandits in Kweichow province last autumn. This latest report states that there is reason to believe that the two men are still in Hunan province, where they were taken soon after their capture.

It will be recalled that two of Mr. Hayman's children were among the 70 who were on the steamer *Tungchow* when she was pirated recently.

Filipino Delegation on Way to Washington With Copy of Constitution

Manuel Quezon, president of the Philippines Senate, Camilio Roxas, former Speaker of the House of the Philippines Legislature; and Rafael Alunan, former Insular Secretary of Finance and now president of the Philippine Sugar Association, passed through Shanghai this week on the *President Coolidge*, enroute to Washington. They are bringing with them the new Philippine constitution, the preamble of which invokes the "aid of Divine providence." The Philippines constitute the only Christian nation in the Far East, Christianity having been brought to Islands by the Spaniards four centuries ago. The constitution provides for a republican form of government and recites a bill of rights approximating the declaration of civil liberties set forth in the United States Constitution. It sets up three branches of government, the legislative, executive, and judicial, with functions similar to those of the corresponding branches in the United States. Universal male suffrage, except for illiterates, is provided for. The constitution limits the amount of public land which may be acquired or leased by individuals or corporations, and assigns to the legislature the right to limit the amount of private agricultural land which individuals, corporations or associations may acquire and hold. The constitution provides for the establishment of a national language, with the use of English and Spanish in the interim. The constitution will be submitted to the President of the United States, who, if it conforms with the Tydings-McDuffie act, shall proclaim its acceptance, after which it will be submitted to the people of the islands for approval at a popular plebiscite.

Filipino Official's Plans to Buy Japanese Land in Davao Are Shelved

Plans of Mr. Rodriguez, Philippine secretary of commerce and agriculture, to purchase Japanese land holdings in Davao have been temporarily shelved. The project providing for the buying-up of Japanese leaseholds at a price of $5,000,000 was abandoned because it was found impractical, dispatches from Manila indicted.

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M. T. Mag. 4-35 No. 4-35

In the United States Court for China

In re. Estate of SARKIS LEON SAHAKIAN Deceased	Cause No. 3798 Special Proceedings No. 1009 NOTICE Filed at Shanghai, China, February 14, 1935. William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of SARKIS LEON SAHAKIAN, deceased to present the same with vouchers to the undersigned on or before August 16, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Raven Trust Company,
Federal Inc., U. S. A.
Shanghai, China.

Shanghai, February 14th, 1935.

Hongkong Bank Chairman Criticizes China's Silver Policy

Speaking at the annual general meeting of the Hongkong & Shanghai Baking Corporation, in Hongkong Feb. 23, C.G.S. Mackie, chairman, stated that China's silver export duty and equalization charge were neither necessary, advisable nor successful. He said the deflationary effect of the silver drain was serious and the banks in Shanghai were forced to concentrate upon the preservation of cash to the detriment of trade. As to the future of the currency position in China, Mr. Mackie said he hesitated to make a forecast, adding, "I should have thought it obvious that the National Government would have been in close co-operation with the foreign exchange bankers at Shanghai, whose long experience carries great weight in such problems. Unfortunately, in the earlier stages of the crisis, their advice was not asked and it is most unjust to criticize them for what ensued. The situation has, however, recently become much improved. Through A. S. Henchman, the manager in Shanghai, there has been constant consultation with the Chinese authorities. Needless to say, we are exploring the remedies for the situation and are anxious to co-operate in any measure which will have a beneficial effect." Mr. Mackie then said that he foresaw great danger to China in a further rapid rise of silver prices while world commodity prices lagged behind. He considered, nevertheless, that there was much China could do to help herself. Most important of all, the balance of foreign payments could be righted without undue difficulty. Referring to general conditions in the Far East, Mr. Mackie stated: "There is much inflammable material lying about everywhere and caution, allied with wise statesmanship, is needed. It is a hopeful sign, generally speaking, that China and Japan are on better terms now than they were at this time last year."

Stabilization Group Buys $3,000,000 Worth of Silver in London

The Foreign Exchange Market Stabilization Committee has purchased $3,000,000 worth of silver from London, according to Chang Pei-shen, manager of the Bank of Communications. It is expected to arrive in Shanghai about the middle of March.

Price of Silver Rises Rapidly

The price of silver has been rising rapidly in the past week, among the reasons being purchases by China and India, the latter speculating on expectation of continued American buying. The American dollar and the French franc are, however, in practically the same relative position as they have been for several months, barring occasional fluctuations. The Hongkong Government is considering silver stabilization measures.

Panama Insists on Gold for Canal Zone Rent

The Panama Government is insisting on payment in *gold* for rent due by the U. S. for the Canal Zone. Panama is refusing to accept cheques for paper money from the U. S. Government and may appeal to the Permanent Court of International Justice for a decision.

Ex-President Hoover Suggests Return to Gold Standard

Ex-President Hoover in a speech at Tucson, Ariz., Feb. 20 advocated a return to the gold standard by the United States. Senator Wheeler from Montana characterzed the idea as the height of asininity and said Mr. Hoover brought on unemployment by maintaining it when he was President.

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Foreign Bank Issues of Paper Money Being Watched by Ministry

The Ministry of Finance and Chinese bankers in Shanghai are closely watching the reported plans of Foreign banking houses in Shanghai to issue large amounts in banknotes for circulation in the local market. Both the Ministry of Finance and the Chinese bankers are reported as believing that the foreign banks by this plan hope to concentrate into their vaults silver stocks from the Shanghai market and ship them to outports. The effects of these planned operations, the bankers believe, would further tighten the money market in Shanghai.

Registration of Publication Confers No Copyright to Title

The Ministry of Interior has handed down a ruling with regard to the question whether a publication which has been duly registered with the competent authorities and entitled to copyright is protected against another bearing the same title. According to the Ministry's interpretation, copyright is granted only for the protection of the substance of the publication and is not intended for protecting the use of a title by the author to the exclusion of others; copyright being different from a trademark. It is held that titles of puplication are mostly general terms; hence there is no reason why one cannot use a title merely because it has been used by another.

Manchukuo Clinics Treat Thousands of Drug Addicts

More than 3,000 opium and other drug addicts were treated at the ten state-maintained clinics during 1934, according the Bureau of Public Health of the Department of Civil Affairs of Manchukuo. The number of opium addicts is put at about 3 per cent of the whole population, with those using other drugs comprising an additional 0.7 per cent of the people, according to official tabulations.

The report, among other things says:—"The opium habit to which 20 million people in China are believed to be addicted, is a grave social problem also in Manchukuo. The practice was first introduced into Manchuria by Chinese from Shantung who entered Jehol at the time of the construction of the Imperial summer palaces there by Emperor Kang Hsi of the Ching Dynasty about 1665, following the lifting of the ban on Chinese immigration into this country. From Jehol, opium smoking spread throughout the domain of the Manchus, until today it is estimated that opium alone claims some 3 per cent of the population. This does not include those addicted to other drugs who probably number 0.7 per cent."

⁂

League Draws Attention to Manchurian Drug Traffic

The Opium Committee of the League at Geneva recently drew attention to the danger to China and the whole of the Far East resulting from the way in which the *de facto* authorities in Manchuria are handling the problem of opium and drugs. The Council of the League adopted the view that it was contrary to Articles 3, 8 and 15 of the Hague Opium Convention to allow exports of raw or prepared opium to the territory in question, and the Members of the League were notified accordingly.

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Suiyuan Takes Action Against Poppy Cultivation

Following the example of other provinces, the Suiyuan Provincial Government is taking drastic action against the cultivation of the poppy plant in the province. According to measures mapped out by the Suiyuan Provincial authorities, all magistrates are required to divide their respective hsien into four areas in which prohibition against poppy cultivation is to be enforced in a way suitable to local conditions. Those districts which have already stopped the cultivation of poppies, it is understood, are strictly forbidden to grow the harmful plant again. To remedy the financial losses of farmers engaged in poppy plantation, the provincial authorities are making plans to provide them with employment in other productive enterprises.

Peiping Ex-Official Executed for Dealing in Drugs

Convicted of dealing in drugs, Yu Pan-chi, formerly commander of a detachment of the Peace Preservation Corps in Peiping, was executed by shooting in the former Capital Feb. 10, after having been convicted of dealing in drugs. Yu was arrested some months ago, it being alleged that the police found quantities of morphine and heroin under his bed.

Nanking Threatens Capital Punishment on Confirmed Drug Addicts

The *Chekiang News Agency* says the final step towards suppressing opium addicts in the Capital was taken by the Nanking Municipal Government Feb. 18 when it issued a proclamation, giving a time limit of one month to all the remaining drug addicts in the city to cure themselves of the habit. Severe punishments, including the death penalty, will be meted out these who fail to rid themselves of the habit within the prescribed time limit.

French Citizens Being Prosecuted on Heroin Charge

Two French citizens, Estublier and Lespinasse, are being tried in the Shanghai French Consular Court as a result of certain statements made by Dr. Barth, a German, who was sentenced in Nantao in February, 1933, on a charge of making heroin. Dr. Barth declared to the Chinese authorities that Estublier was the proprietor of the heroin plant and that Lespinasse was implicated because he had allowed his house to be used for the discussion of the heroin business. Both Estublier and Lespinasse pleaded not guilty.

Mexico Asks Sun Insurance Co. to Invest in National Securities

The Mexican Treasury Department has ordered the Sun Insurance Co. of Canada to invest 3,500,000 pesos in Mexican securities or cease its operation in Mexico. This order was issued because of the fact that the Mexican insurance laws require that insurance companies must invest at least 70 percent of their reserves in national securities.

Who's Who in China

Ku Chieh-kang, university professor; born at Soochow, Kiangsu, 1893; was graduated from the National Peking University, 1920; has served successively as assistant instructor at the Peking University, editor of the Commercial Press, Shanghai; research professor at the Amoy University; professor of history and concurrently Dean of the Department of History of the Chungshan University, Canton; head of the Research Institute of the History of Philology; now professor at the Yenching University in Peiping, corresponding research fellow of the Research Institute of the History of Philology of the Academia Sinica, member of the Antiques Preservation Committee and director of the Peiping Palace Museum; since his graduation from university, he has devoted himself to the study and research of ancient Chinese history; in 1926, he published the first volume of "A Symposium on Ancient Chinese History," the preface of which by himself was translated into English by Dr. Authur W. Hummel entitled "The Autobiography of a Chinese Historian" published in 1981; the Symposium has now reached the 5th volume; recently with the assistance of the professors of History in the various universities in Peiping he published a bi-monthly journal "The Chinese Historical Geography" which is devoted to the study and research of the evolution of the Chinese race and the history of its geography during the last 3,000 years, the magazine having now reached the 3rd volume; address: Department of History, Yenching University, Peiping.

顧頡剛
Ku Chieh-kang

顧頡剛，江蘇吳縣人，生于清光緒十九年，民國九年畢業于北京大學。歷任北京大學助教，商務印書館編輯，廈門大學研究教授，中山大學史學科教授兼主任，語言歷史學研究所主任，現任燕京大學教授，中央研究院歷史語言研究所通信研究員，古物保管委員會委員，故宮博物院理事等職，自北大畢業後，即專力研究中國古史，民國十五年，刊行古史辨第一册，其自序爲美國恆慕義博士所翻譯，一九三一年出版。古史辨現已出版至第五册。近又集合北平各大學史學系同人，創辦"禹貢半月刊"研究中國三千年來之民族演進史及地理沿革史，現已出至第三卷 通訊處：北平燕京大學。

Pacific Relations Official Here to Study Chinese Problems

Edward C. Carter, the Secretary-General of the Institute of Pacific Relations, arrived in Shanghai on the ss. *Carthage* this week, accompanied by Mrs. Carter and four members of his staff. Mr. Carter has come to China to advance the studies which he personally began on his visit to China a year ago, of the institutions and agencies, both private and government, that are studying Chinese basic problems of land utilization, credit, finance, economic, and social reconstruction, and the relation of all these to Chinese foreign policy.

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THE CHINA WEEKLY REVIEW
160 Ave. Edward VII.
Shanghai.

Men and Events

The Hongkong *China Mail*, the oldest established newspaper in the Far East, published its 90th anniversary number Feb. 20.

A Consulate will be established in Canton shortly by the Polish Government. S. Dembinsky will probably be appointed the first consul.

J. W. Carney and C. S. Franklin have been nominated as candidates of the American Community, Shanghai, for membership on the Municipal Council of the International Settlement. The election will be held March 25-6.

Two new cruisers for the Kwangtung Navy, purchased from and built by Italian shipyards arrived in Canton during this and last week. The speed of both vessels is 46 knots.

Leroy Webber, American Consul in Madras, A. W. Estey of the Standard Oil Company, his wife and the Muslim chauffeur were all killed in a motor accident 24 miles from Madras, India, Feb. 25.

Having completed his mission in China, M. Coursin, road expert from the League of Nations, who arrived in Nanking on Dec. 5 last, departed from Shanghai this week returning to Geneva.

A daughter, Elizabeth Anne, was born on Feb. 10 to Mr. and Mrs. P. A. Bryan, at the Country Hospital. Mr. Bryan is special representative in China for the Goodyear Tire and Rubber Export Company.

Cha Ping-ju, Treasurer of the National University of Peking committed suicide early Feb. 2 by swallowing a large dose of poison. Deceased is survived by a wife and three children, two sons and one daughter.

A suit for U. S. $5,000 damages brought by Han Pai-chi against F. L. Welch is being heard in the U. S. Court for China. Plaintiff claims damages for injuries received when defendant's car struck his bicycle.

Beginning this month China's diplomatic and consular representatives abroad are to receive 90 percent of their salaries instead of 80 as hitherto has been the practice, the Ministry of Foreign Affairs announces.

The Central Mint is experimenting with the minting of "big money" subsidiary coins which the Ministry is planning to introduce into the market to replace present 20-cent pieces and to abolish "small money."

Cabot Coville, who has been American Consul in Harbin, will take the place of William Turner as Secretary in the American Embassy in Tokyo beginning of March. H. Merrill Benninghoff will replace Mr. Coville at Harbin.

According to statistics made public by the Ministry of Education, the total number of students in Chinese colleges and universities for the year 1933 was 22,711, with a large percentage of them majoring in law, political and social sciences.

Harold Stringer, an official of the Shanghai Water Works Co., Ltd., was found missing from the cross channel steamer *Vienna* on her arrival at Harwich England Feb. 20 from the Hook of Holland. Mr. Stringer, was returning home on leave.

A farewell party was given the Mr. and Mrs. Tsung Wei-hsian, recently married, by Mrs. Liao Chun-sin, mother of the bride, in the residence of Dr. and Mrs. Lin Yu-tang in Shanghai Feb. 25. Mr. Tsung is vice-consul in New York City.

Because "Liberty Bay," a horse owned by L. Dunbar, a prominent American business man in Hongkong, has always won every race he has entered in the last three years, the Hongkong Jockey Club has banned pari-mutuel betting on said pony.

The second anniversary of the China Institute was celebrated in London Feb. 19, with a reception. Brief speeches were made by Quo Tai-chi, the Chinese Minister to Britain, and the Rev. John Scott Lidgett, Chairman of the Universities China Committee.

E. S. Little, Jr., Feb. 23 announced his retirement from Imperial Chemical Industrial (China) Limited as from December 31, 1934, after 23 years service. The announcement stated that Mr. Little would establish himself at an address to be notified later.

Colonel R. H. Labonne, commander of the French colonial troops in the Shanghai area, has been recalled to France after nearly three years of service here. He is succeeded by Lieutenant-Colonel Fichepain, recently commander of the 17th R.M.I. mixed regiment of colonial infantry in Shanghai.

The Meyer Memorial Hut, a refuge for destitute foreigners of Shanghai, was opened Feb. 26 in Pingliang Road under the management of the Salvation Army. The Hut, which will be able comfortably to house 24 foreign men, was donated by friends of the late Mrs. Vilhelm Meyer.

Martha and Ruth Bailey, daughters of Dr. and Mrs. J. Mansfield Bailey, of Nashville, Tenn., were drowned Feb. 26 when they car in which they were seated fell from the ferry while proceeding from Wuchow to Kweilin. The Bailey family is attached to the American Southern Baptist mission.

Messrs. Y. S. Day, secretary, F. Madar, assistant secretary, and A. H. Leslie, accountant, have been suspended from the International Recreation Club. Thomson & Co. have been appointed secretaries. Notice of the change was given shareholders this week by C. H. Arnhold, chairman of the club.

Yang Chien-ping, formerly Director-General of the Postal Remittances and Savings Bank of the Ministry of Communications, who was recently arrested by the local authorities at the request of the Chinese Government on charge of embazzlement during his tenure of office, has been released on bail of $50,000.

An anti-spitting campaign will be launched in the three Shanghai areas in the near future, following a scheduled joint meeting of the China Medical Association and the China Anti-tuberculosis Association, held in the New Asia Hotel February 28, for the adoption of definite measures for the campaign.

D. J. Evans, who for nearly five years has been adviser to the Bureau of Foreign Trade in the Ministry of Iudustry, has accepted a concurrent post as adviser to the National Government Commission of Administrative Efficiency, recently established under the chairmanship of Wang Ching-wei, President of the Executive Yuan.

The 7th Employed Secretaries' Conference of the National Chinese Y.M.C.A. will be held in Nanking in the middle of May, according to a decision reached recently by the National Committee of the Chinese "Y". The conference will be participated in by three commissions formed of members from various parts of China.

Corporal Alvin Rainey died at the Post Hospital at Peiping Feb. 21, from influenza-pneumonia. He was 28 years of age. He served a part of his service in Nicaragua and he arrived in the Far East a year ago. Corp. Rainey was the third victim of a sudden outbreak of influenza among the U. S. marines stationed in the former Capital—which has since subsided.

Ladow's Tavern, one of Shanghai's oldest cabarets, was closed down upon a court order last week following a judgment secured against the cabaret in the United States Court for China for $18,000. The amount represented arrears of rent due to the National Commercial and Savings Bank, landlords of the premises.

Aimee Semple McPherson Hutton, Los Angeles evangelist, departed from Shanghai for Hongkong and Manila Feb. 26, after conducting a revival campaign in Shanghai, conducting services alternately in various theaters and amusement establishments. She claims to have converted 378 persons to the Christian faith during her sojourn here.

Dr. John Oliver La Gorce, Vice-President of the National Geographic Society of the United States of America, and Associate Editor of the *National Geographic Magazine*, the official publication of the Society, is due to arrive in Shanghai early this month. After his stay in Shanghai, he will visit Peiping and other cities of North China.

According to an order issued in Washington, Feb. 20, Rear-Admiral Orin Gould Murfin has been appointed to take command of the U. S. Asiatic Fleet in succession to Admiral F. B. Upham. The appointment will take effect this summer. Rear-Admiral Murfin, who is aged 59, has had a distinguished career and saw service in the World War, when he was the organizer and commander of mine bases north of Scotland.

Lieut.-Gen. Gumpei Yamamuro, territorial commander of the Salvation Army in Japan, last week relinquished the post he has occupied continuously since 1926. Gen. Yamamuro has travelled extensively, having visited England six times and the United States five. He is a member of the High Council of the Salvation Army, and the holder of the Sixth Order of Merit.

Dr. F. J. White, for many years president of the University of Shanghai, and Mrs. White sailed for the United States on the *President Coolidge* Feb. 26. Dr. White is retiring after 27 years with the University (formerly the Shanghai Baptist College and Theological Seminary). Dr. and Mrs. White were given a grand farewell party by the faculty and students of the University.

According to a report received in Shanghai this week J. Harold Dollar, vice-president of the Dollar Steamship Lines, accompanied by Mrs. Dollar, will sail from San Francisco Mar. 22 on the *s.s. President Coolidge*, which is the same boat on which the American Economic Mission, headed by Cameron Forbes, is travelling to the Far East. It was previously reported that Mr. and Mrs. Dollar would be coming a month earlier on the s.s. *President Hoover*.

A women's committee on the World Peace Prayer Conference to be held in Shanghai has been organized. The committee is headed by Miss Chow Ching-chiao of Shanghai, Miss Hsia Yin-feng of Wuhan, Miss Yu Ping-chuan of Nanking, Miss Li Sheng-ying of Chenchow and Miss Ouyang Kang of Tientsin. Other prominent feminists who have pledged their full support to the movement included Mrs. Liao Chung-kai, widow of the late Kuomintang leader and one of the few women leaders in this country, Miss Han Chia-cheng, noted woman lawyer in China and Miss Yang Chih-hao, of the Shanghai Chinese Women's Association.

Sanitary Conditions in China Reviewed by Dr. J. Heng Liu

Dr. J. Heng Liu, Director of the National Health Administration in a report on Sanitary Conditions in China in 1934, issued last week, stated that although China's attention and financial resources were necessarily devoted largely to other work during 1934, a real improvement in sanitary conditions can be noted. More and more children are now finding a place in the schools, and the teaching of health habits is recognized as one of the teachers' most important tasks. The children are taught to brush their teeth regularly and keep themselves clean. The Commission on School Health in Nanking alone has given over 40,000 physical examinations, corrected 31,000 defects, and performed 55,000 vaccinations and anti-cholera inoculations. The Central Field Health Station has begun the testing and analysis of food and drug samples purchased on the open market. It has also assisted Peiping, Tientsin, Hankow, Hangchow, and other cities in solving their water problems. Throughout the country, thousands of hospitals have been attempting to care for the sick and teach modern health knowledge to the people of their communities. Much more intensive work has been done in certain rural areas where the National Health Administration, the Central Field Health Station, and the provincial governments have been working together to show how much can really be accomplished at little expense where the government and the people cooperate. A novel and practical feature is the naming of a Village Health Worker for each tiny community. He has been given a ten-day course of health training and receives at least weekly supervision from the physician at the health station. He is expected to record births and deaths, vaccinate his village, reconstruct his own well as a model, give first-aid tteatments, introduce patients to the health station, and act as a "health extension agent." Closely cooperating with the health authorities of the adjoining cities or districts are the Quarantine Services in the ports of Shanghai, Amoy, Swatow, Hankow, Tientsin, Taku-Tangku, and Chinwangtao. The National Quarantine Service, with headquarters in Shanghai, has also maintained excellent connections with other Pacific port health authorities and with the appropriate international organisations.

The Central Hospital in Nanking has conducted a medical clerkship course for students in the Army Medical School and a regular two-year internship course. It has had, also, a major part in the training of students in the Central School of Nursing and in the Central Midwifery School. During 1934 it cared for over 6,600 in-patients and nearly 80,000 out-patients. The Central Field Health Station has conducted special courses for public health officers, sanitary inspectors, hygienic laboratory technicians, school teachers, and even school cooks.

City Government's Agreement With Shanghai Power Co. Is Approved

Detailed measures submitted by the City Government of Greater Shanghai for the enforcement of the terms of the agreement recently concluded with the Shanghai Power Company, for the supply of electricity in the western district of Shanghai were approved by the Executive Yuan at a special meeting in Nanking, Feb. 21. Representatives of the Ministries of Finance and Industries, the City Government of Greater Shanghai, and its various bureaus concerned, including J. K. Choy, Commissioner of Finance of Greater Shanghai, were present at the meeting.

Sino-British Concern to Furnish Water on Outside Roads

An agreement has been reached between the Shanghai waterworks and the Bureau of Public Utilities that a Sino-British waterworks company for the Western District shall be formed, with an initial capital of $3,000,000. After the formation of the new company, the City Government of Shanghai is to grant a franchise for the supply of water to the district.

Two Changsha Newspapers Are Suspended

The Changsha *Pi Li Pao* and the Changsha *Cheng Pao* were suspended from publication by the Hunan Provincial Government Feb. 23. For publishing military secrets, the *Pi Li Pao* was suspended for one week; while for insulting the people of Liling, eastern Hunan, by picking on certain of their quaint customs, the *Cheng Pao* was suspended indefinitely.

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New Books of Interest in the Far East

New Light on Ancient China

Children of the Yellow Earth—Studies in Prehistoric China, by J. Gunnar Andersson. New York: The Macmillan Company, 1934.

Modern archaeological study in China is revealing more and more of the China of three to five thousand years ago, the China which old-fashioned scholars—unable to distinguish between history and legend—claim to know all about, but regarding which more modern scholars are now striving patiently to establish some facts. Most of the results of recent archaeological research in China have been published in *Pälaeontologia Sinica*, and in the *Bulletin* and *Memoirs* of the National Geological Survey of China. Some very important material, however, has so far appeared only in Chinese.

J. Gunnar Andersson, for many years connected with the Geological Survey of China as mining adviser, and now curator of the Museum of Far Eastern Antiquities at Stockholm, is the author of a recent book, published in English (translated from the Swedish) last year, entitled "Children of the Yellow Earth," with the explanatory sub-title "Studies in Prehistoric China." This interesting book summarizes much of the archaeological work done down to about three years ago. In addition to summarizing this work, however, it gives Andersson's own account of research expeditions which he led in the gathering of valuable palaeontological material. Because of this, much of the work is of interest to geologists and paleontologists who will find other parts elementary.

One of the many things of importance in this book, having to do not only with ancient but with present-day China, is the comment on the extraordinary speed with which great ravines are being cut in the loess plateau, and incalculable quantites of earth carried towards the sea, to be deposited either in the bed of the Yellow River (or its tributary streams) or at the mouth of the great stream, building up the shore-line at a rate of few square miles per year. It is this redeposited earth which has created the great North China Plain, which now separates the mountains of Shantung (once an island) from the mountains of Shansi and Honan far to the west.

Shantung, it appears, was separated from the mainland by water as recently as five thousand years ago. The early Chinese, evidently, were a coastal people, spreading in from the coast along the river valleys,—and the coast then reached almost into Honan province.

This also explains the peculiar distribution of the Chinese language. From the Yangtze valley south, the Chinese dialects have been the languages of the seacoast. The native peoples of the interior—of Kiangsi, and to the west and southwest of Kiangsi, —spoke quite different languages.—the Mon-Khmer and Shan-Siamese tongues in Central China, and Tibeto-Burman languages along the western border. This interior area has been made Chinese-speaking only through the influx of Chinese immigration and conquest from further east and north, and there still remain many millions of non-Chinese-speaking aborigines in Kweichow and Kwangsi, and of course further west in the Tibetan borderland. In North China, however, the natives in ancient times appear to have been Chinese-speaking as far in the interior as Honan province, and possibly even further west.

There is another and graver aspect of the process of erosion going on in the loess area. Dr. Andersson points out that the water level at Yang Shao Tsun four or five thousand years ago was just below the surface of the plain, while now the water flows at the bottom of deep ravines. There are two serious points involved here. One is that "in places the ravines occupy 10 per cent, and locally more, of the total area, and this ravine area is almost entirely useless. The bottom of the valley is too narrow for cultivation." In addition to this loss of ten per cent of cultivable area, however, there is another point. The lower water level, leaving the plain high and dry, has affected the productivity of the soil. At the time of the Yang Shao Tsun culture, rice, with its great need of moisture, was grown in that area. It is not now being grown, much less generous crops—such as wheat and kaoliang—being raised. It should be added that the quantity of moisture has undoubtedly been affected not only by the lowering of the water-level, but perhaps even more by the much greater distance from the sea at present.

Considering North China as a whole, it must be kept in mind that while this interior soil is declining in productivity, new land is being built up at the rate of a few square miles each year along the coast, by the sediment from the Yellow River and other streams of the North China Plain. There is a net gain in this, as this alluvium and redeposited loess is far more productive than the loess highlands. But the fact must be faced that the highlands further west are actually less productive than they were a few thousand years ago,—one of the reasons for this being the center of China's famine area.

One of Andersson's suggestions deserves serious consideration. Commenting upon the remarkably beautiful pottery of Yang Shao Tsun—duplicated indeed over a great area of northern China from Kokonor to Mukden,—and upon the fact that this seems to be quite a lost art today so far as the modern peasants are concerned, Andersson points out that the more essential tools and implements of the peasantry today "go back to prototypes of prehistoric times . . . . But most of the life of the modern Honan peasant points to degeneration, and these simple beings have no idea that the pieces of vessels in the walls of their ravines speak of a prehistoric ceramic art which nowhere flourished more profusely than during the Yang Shao civilization."

Andersson may or may not be aware that northern conquerors, even in historic times, have deliberately destroyed great centers of beautiful pottery in China. Reasons are usually obscure, but one which has been given is that the potters were becoming too wealthy and independent from their craft, and constituted a political menace. There is no reason to doubt this, though the menace probably resulted not only from the wealth of the potters, but even more from the heightened morale resultant from their work. Artistic creation gives a sense of pride and self-reliance,—a sense which conquerors have no desire to encourage in their subjects.

Crushed people, humble and abject, make good subjects. It is one of the great tasks of the Chinese Revolution to make them into self-respecting human beings again.

Andersson writes most of his book in the order of geological time, starting with" the first signs of life" in China (primitive organisms in stromatolitic ore), going on to "prehistoric swamp forests," to "the giant saurians in Shantung and the first mammals" (in which the author has little to say of Mongolia as the early home of mammals), telling "how the mountains came into being," going on to "dragons and dragon-bone mines," to "the Peking man" (quite incomplete, Andersson having none of the complete reports of the past three years), and "the yellow earth."

From this Andersson goes on to tell of Stone Age Man in China, with accounts of Andersson's own expeditions. Chapter headings include: "Pleistocene Man in the Ordos Desert;" "The Face of the Earth Giant;" "We Discover the First Prehistoric Village" (Yang Shao Tsun); "A Cannibalistic Sanctuary"—in Fengtien (Liaoning) province, north of Chinchow; "Ancient Implements and Vessels"—showing clearly their relationship to present-day forms; "We Follow the Yang Shao People to Kokonor"—with five chapters on excavations in eastern Chinghai and southern Kansu. There is a chapter on Fecundity Rites, Hunting Magic, and Death Cult, and another on Aphrodite's Symbol—the cowrie,—these being preliminary to a study of the symbolism of the P'an Shan graves in Kansu, and rather the weakest part of the book. A brief final chapter sketches the general features of the Yang Shao civilization.

The book is profusely and well illustrated, and has an index. It is to be recommended to everyone interested in ancient China and in archaeology. Even if one is familiar with Chinese archaeology and its recent work, Andersson's first-hand accounts are still of interest. If some of China's own brilliant archaeologists would give a similarly revealing account of their work, in English, it would undoubtedly be greatly appreciated by a wide circle of readers.

H. H.

China Hong List for 1935 Is Published

The China Hong List for 1937 was issued from the press of the North China Daily News & Herald Ltd., this week in its usual red cover, with an increased number of pages (891). It contains a wealth of detail and covers a range of territory unsurpassed by any directory in the world. A little over half of the book is devoted to Shanghai, and the rest to about fifty other ports in China. The list of China Hongs contains not only the foreign firms but the principal Chinese concerns. Throughout, the systems of classification used are such as to facilitate the searcher for information in the highest degree. Firms are listed first in alphabetical order with their adresses, Chinese names, lists of employees and lists of principal agencies. Residents are listed alphabetically, according to their adresses, and also according to their places of employment. In addition they are once more listed in a street directory arranged alphabetically and numerically. There are separate lists for residents in Shanghai and in the outports; also separate lists for Protestant and Roman Catholic missionaries; and the missions themselves are once more listed according to location and denomination. There is besides a directory of trademarks and agencies. Shipping, railway and diplomatic information is also provided.

The Directory sells for $10 (Chinese); with map, $11.

Unregistered Foreign Restaurants in Nanking May Be Forced to Close

A Nanking message states that several of the cafes and restaurants opened by foreigners recently at Sinkaikow, business center of Nanking, having failed to register themselves with the Social Affairs Bureau and the Metropolitan Police Headquarters, in accordance with Chinese law, will probably be closed by the local authorities.

Washington's Birthday Celebrated in Shanghai

Washington's Birthday (Feb. 22) was celebrated in Shanghai in the traditional manner. This year's ball was held at the Paramount Ballroom, which was profusely decorated for the occasion. Music was furnished by the U. S. Marine Orchestra. The American Consul-General, Edwin S. Cunningham, was represented on the reception committee by Monnett B. Davis, Consul-General, with whom were Mrs. Davis, Judge and Mrs. Milton J. Heimick, Mr. and Mrs. Arthur Bassett, and Mr. and Mrs. C. S. Franklin. Mr. Franklin was entertainment chairman of the said body.

The Shanghai chapter of the Daughters of the American Revolution celebrated the day the with a special tiffin party at the West End Chocolate Shop.

Judge Helmick, the guest speaker, made an address on "A Hundred Years of Progress in the United States." Judge Helmick compared the fatherland of the audience as it is today, with the country as it was 100 years ago. America has become a nation above all others, first in many things, especially education, public improvement, public organization, sanitation, and hospitals. In the world of art, music, and science, the country is very near the top, if not leading other nations, he said.

Dr. Holt Guest Speaker at University Club Tiffin

Dr. Ivan Lee Holt, President of the Federated Council of Churches of Christ in America, was the guest speaker at a tiffin at the American Club sponsored by the American University Club. Dr. Holt, outlining the possible historic approaches to summing up achievement in America, after noting the economic, geographic and climatic conflicts registered in history, concentrated his remarks on the spiritual ideal "which runs like a scarlet thread through America's tradition." He described the present period as one when some cannot find an opportunity to enter the country established for opportunity and freedom. Both of these principles, he said, were incorporated into the ideal of the nation.

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Dr. Holt Preaches on "Peace" at Community Church

Dr. Ivan Lee Holt preached at the Shanghai Community Church Feb. 24 on "Will the Dream Come True?" In his sermon he set forth the fundamental problems blocking the way of peace. "No nation in the world ought to have a large army; no nation in this world has the right to take the territory of another nation or to interfere with the government of another nation," said Dr. Holt, quoting from Kant's "Essay on Perpetual Peace," which prophesied, "the day of eternal peace draws near" on the very eve of the Napoleonic Wars.

Among other things Dr. Holt said:—"He who desires peace should not be content with negative pacifism. If you want peace you must talk peace. You must not shy at the word but bring it into wide use, to make it do all the work of which it is capable, and I should say that he who desires peace should speak of it more often than war. I am an optimist like Lord Robert Cecil. He has been defeated again and again in his efforts for peace, but he keeps on believing that peace is the only way for nations."

⁂

Dr. Holt Regarded as Great Leader of American Protestantism

(*Christian Century, January* 30)

Dr. Ivan Lee Holt, pastor of St. John's Methodist Episcopal church, south, is on his way to the orient to be acting pastor for six months of the Community church of Shanghai. At a farewell service several weeks ago, celebrating Dr. Holt's 25th anniversary as a minister, the people swarmed into St. John's in such numbers that it became a problem to seat them. The sermon was the one that Dr. Holt preached 25 years ago, brought out of the archives, dusted off, and rendered with a homiletical polish of more recent origin. For nearly 18 years, Df. Holt has led this great church as its pastor. As the newly elected president of the Federal Council of Churches of Christ in America he carries one more responsibility added to the many he already stands under as one of the great leaders of contemporary American Protestantism. His Christian personality is exceeded only by his democratic humility. Dr. C. M. Bishop of Dallas will serve as pastor of St. John's during Dr. Holt's absence.

Clarence E. Gauss Appointed to Post at Berlin

Clarence Edward Gauss, counsellor of the United States legation at Peiping, has been assigned to the post of counsellor and consul general at the American legation in Berlin. Mr. Gauss has had a long and honorable record as a consular official in China, having held posts in various ports, including acting Consul General in Shanghai in 1927. Douglas Jenkins, formerly Consul General at Hongkong was transferred to Berlin last October as Consul General, and the report that Mr. Gauss has been transferred to said post may indicate that Mr. Jenkins will be sent back here to China, where he also has had long experience.

New English Publications

MANCHURIA
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By Edwin Lo-tien Fang .....Price, $4.00

This book presents a systematic study of Japan's encroachment upon Manchuria, together with the Japan policies of the Western Powers as regards that part of China's territory. All the international rivalries for territorial and railway and commercial interest in Manchuria, and all the steps taken by the Tokyo Government to aggrandize and consolidate her position there from some thirty years ago down to the present day,—all these are given a clear and adequate treatment here. Being the result of close and constant observation, this book serves to furnish an impartial representative Chinese interpretation of the international situation of Manchuria hereafter as well as hithertofore.

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Will Tokyo and Nanking Join Hands?

BY CHEN FU-SHENG (陳福生)

"Will Tokyo and Nanking join hands?" a question of prime importance. The peace of Asia, nay, of the world hangs on its answer. To many, it seems there is little hope for Sino-Japanese rapprochement; I, however, venture to suggest the possibility, if not probability, that if the recent course of history continues long enough, a reconciliation between Japan and China may be effected. Both China and Japan will, in the long run, awaken to the peril of enmity, bury their past and become good neighbors. Internationally speaking, the enemies of today may be the friends of tomorrow and vice versa. Time has not infrequently made friends of enemies and enemies of friends. A few years ago, Soviet Russia was China's best friend while great Britain was her arch-foe. Today there is marked coolness between Moscow and Nanking in spite of the resumption of diplomatic relations and the Chinese "display more friendly sentiments towards Great Britain." There appears to be no unalterable reason why the differences which have existed between Japan and China can not somehow be adjusted.

I wish to stress from the outset that I do not wish under any circumstances to be taken as a pro-Japanese. The point I should like to impress is that the hostility which obtains between Japan and China is a great obstacle to their orderly and progressive development and a menace to the peace of the world.

Two Wrong Views

There are, in China, some people who are inclined to think of Japan as China's traditional enemy. To meet Japan half way, it seems to them, is the sure way to court disaster. They advocate strong measures against Japan, ignoring that China is not in a position to adopt a strong policy. There are, in Japan, certain jingoists who take it for granted that the conquest of China is necessary to the conquest of the entire world. They do not know that Japan, no matter how strong she is, is unable to conquer the whole of China, so vast in territory and so handicapped in communication. "The break-up of a nation of four hundred millions," as pointed out by Lord Charles Beresford," is an event that has no parallel in history."

Interdependence of Japan and China

Japan and China, there is no need to labor, are economically interdependent. Without the technical aid and finanical assistance of Japan, the development of China's resources would be tardy; without the goodwill of the Chinese masses, Japanese would lose a great market for their manufactured goods. The economic interdependence of China and Japan necessitates their wholehearted cooperation. As stated in the foregiong, Sino-Japanese friendship is the *sine qua non* to the progressive development of both Japan and China.

How can Sino-Japanese friendship be secured? So far as my observation goes, there are three prerequisites; (1) Mutual understanding, (2) settlement of Manchurian issue and (3) the will to peace.

Mutual Understanding

History clearly shows that international conflict, nine cases out of ten, arises from misunderstanding. Misunderstanding gives rise to suspiction, egotism and hatred which naturally lead too clash of interests. A well-known historian, we remember, has said;" 'Ourselves alone' is the sure guide to conflict and disaster." The two peoples, Japanese and Chinese, in view of misunderstanding, do not "live and let live with due respect for the rights and interests of one another." To dispel darkness is to shine; to remove misunderstanding is to promote mutual understanding. Let the two peoples know each other better and have respect for their respective interests so that they may co-exist and co-prosper.

Settlement of Manchurian Issue

What lies a stumbilng-block, though not necessarily an insurmountable obstacle, in the path of Sino-Japanese friendship is the Manchurian issue. According to Japanese, the thesis of Manchuria arises out of Japan's fear that her crisis will come in 1935 or 1936 when a worldwide conflagration involves Japan in a life-and-death struggle. For strategic and economic considerations, she has to occupy Manchuria, her "life-line." The crisis of 1935-1936 is more of a bogey than of a reality. When the second world war will break out only time can tell. Probably, Japan may be held responsible for hastening the date of the war as she prepares feverishly for war.

That Japan has special interests in Manchuria owing to geographical proximity and historical associations, we do recognize, but we do not see necessity for her occupying Manchuria and forming a protectorate. The assimilation and annexation of Manchuria is, moreover, an impossibility. From the vote of the Saarlanders, a lesson may be easily.drawn. A territory may be occupied by an alien force, but its people cannot be turned into an alien race. The choice is not between a good government and a backward governemnt, nor between peace and chaos. The material things do not enter into consideration; national consciousness is all that counts. Japan has stationed more than ten army divisions in Manchuria and has spent enormous sums of money, yet she has not succeeded in wiping out all the volunteers (Japanese call them bandits). National feeling runs very high in Manchuria. Blood is thicker than water. Manchuria remains unalterably Chinese. No Japanese efforts in Japanizing Manchuria can be of avail.

Japanese often say anti-Japanese activities in China must be suppressed before a lasting peace between Japan and China can be obtained; I should say that once the Manchurian problem is amicably settled, anti-Japanese feeling will soon die out.

A Will to Peace

To some observers, Japan is inexorable on the Manchurian issue. But where there is a will to peace, every question, no matter how difficult and delicate, lends itself to settlement by the orderly process of mediation, conciliation and arbitration. There are in Europe questions no less difficult and delicate than the issue of Manchuria, yet they are solved by the super-statesmen of Europe, who are determined to uphold peace, to preserve peace.

By settlement of Manchurian problem, we do not mean mere restoration of *status quo* prior to September 18, 1931; we mean establishment of new treaty relations between China and Japan, readjustment of their differences and recognition of Japan's interests in Manchuria. Japan's seizure of Manchuria has drained her wealth and brought a hornets' nest about her ears. Should Japan resort to peaceful methods instead of embarking on military adventure and should she approach China with technical skill and capital in development of Manchuria's economic resources, she would, with less effort, reap richer harvests.

In conclusion, we may assert without erring in any measure that this is pre-eminently the time to speak the truth, the whole truth, frankly and boldly. We need not shrink from honestly facing conditions in our country today. China has been following revolutionary diplomatic policy. By revolutionary diplomacy is meant either drastic action or unexpected conciliation. That during the period of the world war Soviet Russia under Lenin concluded peace with Germany despite all advices to the contrary is a good example of revolutionary diplomacy. The present-day China has but two courses to pursue; to fight against Japan to the last man regardless of risks or to meet Japan halfway. The former, entailing serious consequences and endangering the very existence of China, is not advisable; the latter, though involving concessions, is recommendable. The Nanking authorities, we hope, will hesitate no longer, but take a decisive step. In the meantime, we also hope that Japan will throw overboard her old policies of territorial aggression and economic penetration and will help China to help herself.

Foochow, February 17, 1935.

Dr. Sven Hedin Reports to Gen. Chiang Kai-shek at Hankow

Dr. Sven Hedin was received by Lin Sen, Chairman of the National Government, at Nanking Feb. 23. He made a hurried trip by air the following day to Hankow, and called on General Chiang Kai-shek, to whom he reported the result of his recent surveying trip to Suiyuan and Sinkiang. At a banquet given in his honor Feb. 22 at the home of J. Morch Hansen, who together with H. Kirkegaard, acted as joint hosts, Dr. Hedin expressed the hope for the realization of a motor road, to be followed by railways later from Shanghai to Calais, thereby bringing still closer the East and the West.

Dr. Hedin also gave an address in Sage Hall, of the University of Nanking, Feb. 22, in the course of which he paid sincere and affectionate tribute to the courage and unselfishness of his Chinese colleagues on the recent expedition. He reiterated his beliefs that a route through Sinkiang by motor and by rail is feasible and that if motor roads and, later, railroads are extended into this area, they will be of great service in uniting this province with China as a whole and in providing for a line of communications which, following the old trade routes of two thousand years ago, can eventually connect China with Europe. Dr. Hedin came to Shanghai for a few days and lectured before the Royal Asiatic Society Feb. 28.

Japan Wants Russia to Throw the Mongolian Door Wide Open

According to the *Osaka Asahi*, the Japanese Foreign Office authorities are desirous of the door of Outer Mongolia being thrown open quickly and the relations between that country and Japan and Manchukuo gradually being improved. Negotiations for the settlement of the recent Lake Buyer-nor affair have not yet been opened owing to a conflict of view between Manchukuo and Outer Mongolia regarding the latter's demand for the presence in the parley of the representative of Soviet Russia as observer. Although sovereignty over Outer Mongolia nominally rests with China, says the Osaka journal, that country is now a Russian protectorate, to all intents and purposes. At the time when Tokichi Tanaka went to Moscow as Japanese Ambassador some years ago, Outer Mongolia had her diplomatic representative there, who maintained contact with the Japanese Embassy. When, however, Soviet influence penetrated that country to the extent that it passed completely under Soviet away, towards the closing years of Mr. Tanaka's Ambassadorship in Moscow, the above-mentioned contact ceased, never to be resumed.

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33	11¼	1.20	Alaska Juneau	17	16¾
169¾	70⅝	6.00	Allied Chemical	135	134
26⅝	6	—	Allis Chalmers	16⅜	15⅞
42¼	9⅜	0.80	Am. Brake Shoe & Fdry.	26½	26⅛
121⅞	49¼	4.00	American Can	117¼	117¼
89⅞	13	—	Amer. Commi. Alcohol	27⅛	26⅝
22½	3¼	0.40	Amer. Cyanamid "B"	16⅝	17
19⅝	3	—	American & For. Power	3⅛	3
39⅛	5⅞	—	American Locomotive	12½	12
19	4⅜	—	American Radiator	12⅜	12⅜
53⅛	10⅝	—	American Smelting	34½	33⅝
134⅝	86½	9.00	American Tel. & Tel.	105	105
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43¼	10½	1.00	American Waterworks	11	10⅝
22⅞	5	—	Anaconda Copper	10¼	10⅛
35¼	12⅞	1.00	Atlantic Refining	23¼	23⅛
84¼	16⅞	—	Auburn	22⅜	22¼
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30¼	10½	0.60	General Electric	23⅛	23¼
39⅞	21	1.80	General Foods	35	35⅝
42	10	1.00	General Motors	30	30
28⅝	3⅝	1.00	Glidden Co.	26½	26⅝
27⅜	12	1.20	Gold Dust	17¼	17
47¼	9¼	—	Goodyear Tire & Rubber	21¾	20½
50⅜	7½	—	Illinois Central	12	10
40	6½	0.25	International Cement	27	27
46⅝	13⅛	0.60	International Harvester	39¼	39½
29½	6⅜	0.60	International Nickel	23⅞	23⅛
21⅜	5¼	—	International Tel. & Tel.	8	7¼
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6⅞	1⅜	—	Packard Motors	4⅛	4⅜
42¼	13⅜	1.00	Pennsylvania Railroad	20½	20
20⅜	4⅜	1.00	Phillips Petroleum	14½	14¼
12¼	3	—	Radio Corporation	4⅜	4⅜
54¼	26½	3.00	Reynolds Tobacco "B"	47⅞	47⅝
51⅜	12½	—	Sears Roebuck	33⅝	32⅝
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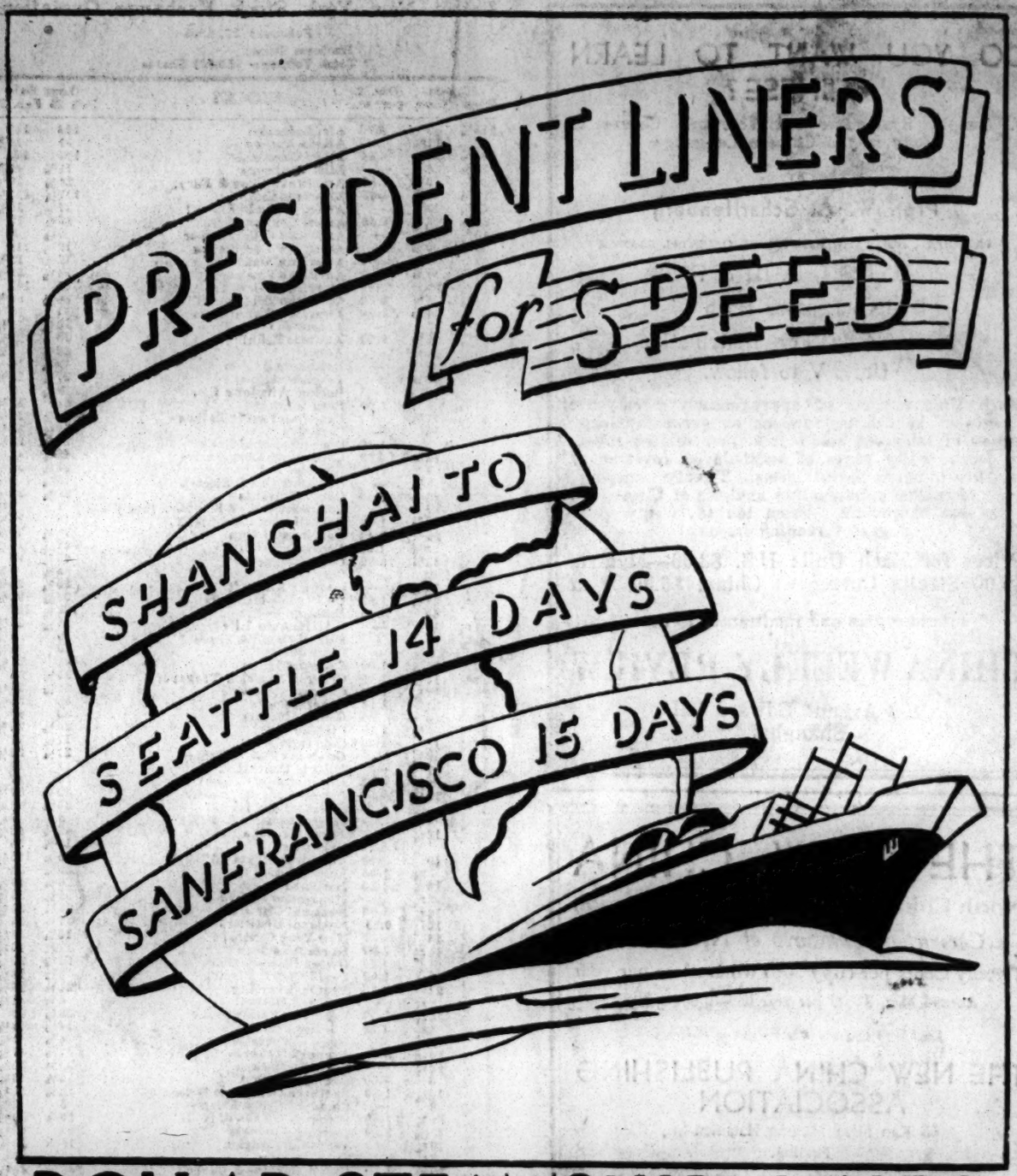

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